



2024 WICPA BUSINESS & INDUSTRY FALL CONFERENCE

YOUR SOURCE FOR KEY UPDATES & INSIGHTS ON TIMELY ISSUES

HIGHLIGHTED TOPICS:



NAVIGATING THE FUTURE OF BENEFITS INSURANCE: TRENDS, STRATEGIES & SOLUTIONS

Find out about the latest marketplace trends and innovative strategies in benefits insurance



SOUTHEAST WISCONSIN BUSINESS CLIMATE UPDATE

Get the latest updates on the business climate in southeast Wisconsin and the overall strategy to spur economic growth in the region



AI USE & ETHICS FOR ACCOUNTANTS

Learn about the transformative potential of AI in the accounting field and the importance of ethical AI use

TUESDAY, OCT. 22 | BROOKFIELD CONFERENCE CENTER & WICPA CPE LIVESTREAM

CONFERENCE AT A GLANCE

TUESDAY, OCT. 22

Brookfield Conference Center & WICPA CPE Livestream

7 – 8 a.m.

Registration & Networking
Celebration Atrium

8 – 8:15 a.m.

Welcome & Opening Remarks
Connect B

8:15 – 9:15 a.m.

GENERAL SESSION
Southeast Wisconsin Business
Climate Update
Connect B

9:15 – 9:35 a.m.

Break
Celebration Atrium

9:35 – 10:35 a.m.

GENERAL SESSION
Employment Law Updates
Connect B

10:35 – 10:55 a.m.

Break
Celebration Atrium

10:55 – 11:55 a.m.

GENERAL SESSION
Trends in Retirement Plans
Connect B

11:55 a.m. – 12:55 p.m.

Lunch
Connect A

12:55 – 1:55 p.m.

GENERAL SESSION
Navigating the Future of
Benefits Insurance: Trends,
Strategies & Solutions
Connect B

1:55 – 2:15 p.m.

Break
Celebration Atrium

2:15 – 3:15 p.m.

GENERAL SESSION
Beyond Boundaries: The Art of
Comfort Zone Expansion
Connect B

3:15 – 3:30 p.m.

Break
Celebration Atrium

3:30 – 4:30 p.m.

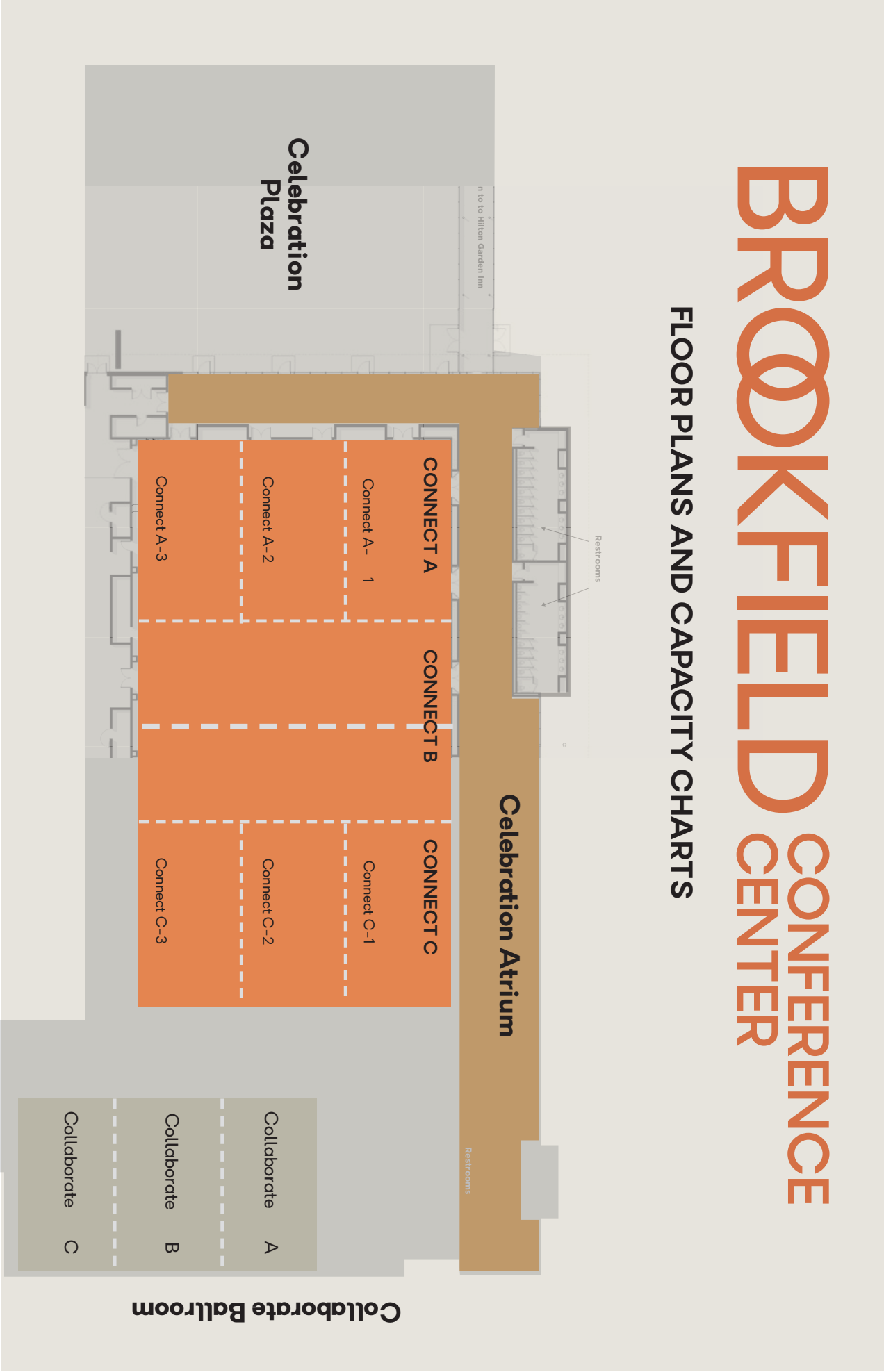
GENERAL SESSION
AI Use & Ethics for Accountants
Connect B

4:30 p.m.

Closing Remarks & Prize
Drawings
Connect B

BROOKFIELD CONFERENCE CENTER

FLOOR PLANS AND CAPACITY CHARTS





Navigate Specialty Tax



Simplify Daunting Requirements



Stay Compliant



Avoid IRS Scrutiny



Attract Top Talent

Maximize Business Tax Credits, Incentives & Deductions

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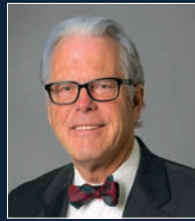




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Spring Conference**

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MONTH**
NOVEMBER 2024

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We've made it extremely easy for you to participate!

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- Schedule a day and time with the school
- Let us know by completing the Accounting Careers Month Volunteer Form
- We'll provide you with everything you need including a presentation, talking points, tips, resources and fun gifts for students!

Get involved at wicpa.org/CareersMonth



TOGETHER,

we have the power to make a difference.

Contributions to the WICPA Political Action Committee (CPAC) and Legislative Involvement Fund (LIF) allows the WICPA to:



Educate lawmakers about the issues impacting Wisconsin CPAs.



Ensure a healthy business climate for CPAs and the clients you serve.



Strengthen the voice and visibility of the WICPA and its members.



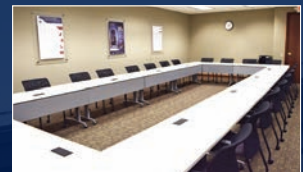
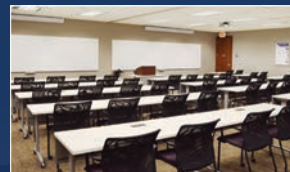
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WISCONSIN INSTITUTE OF
CPA
Educational
FOUNDATION



YOU have the opportunity to impact thousands of students and educators in Wisconsin.

Through your contribution to the WICPA Educational Foundation, you can help us reach students and educators in high school and college to create awareness about the accounting profession.

As the end of 2024 draws near and you are thinking about tax planning, consider donating to the WICPA Educational Foundation.

Questions? Contact Tammy J. Hofstede, WICPA President and CEO at tammy@wicpa.org.

To contribute, visit wicpa.org/EF.

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PROMOTE ACCOUNTING & YOUR ORGANIZATION!

Step up and shape tomorrow's accounting professionals by hosting high school students at your organization. The WICPA Educational Foundation's Accounting Awareness Grants provide funding for high school educators to bring students to you for a presentation or activity to learn more about accounting. By volunteering to host a class, your organization will:



Spark interest in
the accounting
profession



Strengthen the
CPA pipeline with
future talent



Showcase your
internships & job shadow
opportunities



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Join the WICPA Board of Directors!

The WICPA is seeking members to serve on its board of directors.

Opportunities include:

- Staying up to date on professional issues
- Providing strategic governance in accordance with the WICPA strategic plan, mission and vision
- Acquiring new leadership and training skills

Applicants must be WICPA CPA members in good standing. A "CPA member" is defined as a WICPA member who has obtained a certificate as a CPA from the Accounting Examining Board of the State of Wisconsin, or from a similar legally constituted authority in any other state, possession or territory of the United States or the District of Columbia.



To apply, visit wicpa.org/BoardApplication through Nov. 15, 2024.

Questions?
Contact tammy@wicpa.org.



**Educational
FOUNDATION**

Join the WICPA Educational Foundation Board!

The WICPA Educational Foundation is seeking members to serve on its board of directors.



Some of the opportunities include:

- Assisting in efforts to attract students to the profession.
- Providing strategic governance in accordance with the WICPA Educational Foundation mission.
- Acquiring new leadership skills.

The WICPA Educational Foundation plays a pivotal role in supporting programs to improve awareness and perceptions by educating students and educators about the exciting opportunities available to accounting professionals.

To apply, visit wicpa.org/EFBoardApplication through March 1, 2025. ► **Questions?** Contact tammy@wicpa.org.

8:15 – 9:15 a.m.

Southeast Wisconsin Business Climate Update

Dale Kooyenga, CPA, *President, Metropolitan Milwaukee
Association of Commerce*

MMAC's Vision

A GLOBALLY **COMPETITIVE**
REGION THAT FOSTERS
HIGH-VALUE JOBS TO
SUSTAIN A VIBRANT QUALITY
OF LIFE FOR ALL

BEST **ASSETS**



Quality of Life

Healthcare
Entertainment
Accessibility



People/ Quality of the Workforce



Strength of Economy



Education (Higher ed, and most K- 12)



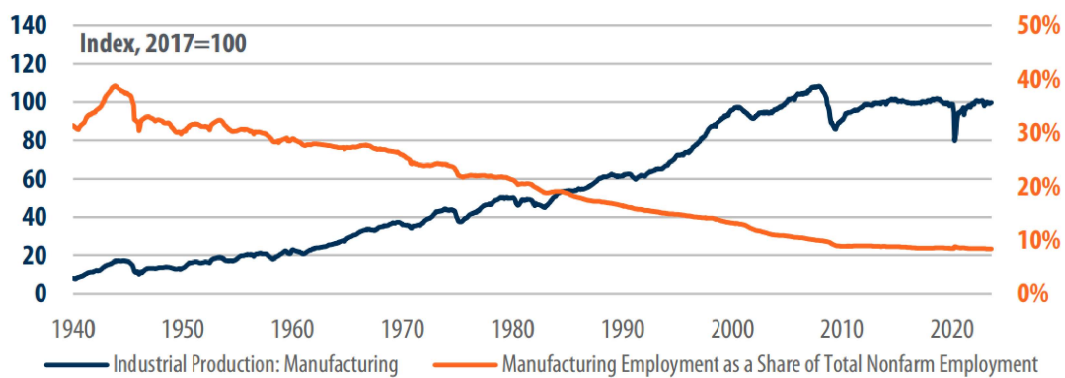
Climate Haven



Highest concentration **MANUFACTURING EMPLOYMENT** in the USA

U.S. MANUFACTURING: 85-YEAR SUMMATION

Manufacturing vs. Jobs



M7 REGION MFG. EMPLOYMENT CHANGE: 2001-23

Production Occupations

2023: 105,360

-25%

-36,038 jobs

Engineering Occupations

2023: 19,486

+4%

+722 jobs

M7 REGION'S MANUFACTURING STORY – 10 OCCUPATIONS



Occupation	2023 Annual wage	Jobs 2023	Change from 2001	%
Industrial production managers	\$117,832	1,968	319	19%
Software developers	\$105,978	6,960	2,598	60%
Electrical engineers	\$96,098	1,975	602	44%
Mechanical engineers	\$89,305	3,127	644	26%
Industrial engineers	\$87,287	3,427	1,708	99%
CNC tool operators	\$53,079	5,332	2,194	70%
Machinists	\$46,796	3,141	-2,895	-48%
Inspectors, testers, sorters	\$46,641	4,126	-5,125	-55%
Cutting, punching & press operators	\$42,947	2,798	-1,714	-38%
Assemblers & fabricators	\$39,180	9,848	-3,898	-28%

BROOKINGS ADVANCED EMPLOYMENT COMPARISON

Region	Advanced Services			Advanced Manufacturing		
	Jobs	% Change	LQ 2022	Jobs	% Change	LQ 2022
MILWAUKEE*	37,951	-5%	0.69	47,224	-37%	1.53
Cleveland	50,726	3%	0.75	52,691	-40%	1.37
Columbus	63,775	14%	0.88	31,659	-32%	0.76
Indianapolis	66,155	67%	0.89	51,109	-26%	1.22
Kansas City	82,654	-11%	1.14	45,806	+35%	1.07
Pittsburgh	67,438	-2%	0.94	41,555	-31%	0.99
St. Louis	73,872	8%	0.81	58,440	-26%	1.11

LQ (Location Quotient) measures the concentration of employment in a specific geographic locale compared to the US as a whole

* Data for Milwaukee-Waukesha MSA, not M7 region

JOB CHANGE: 2010 – 2023

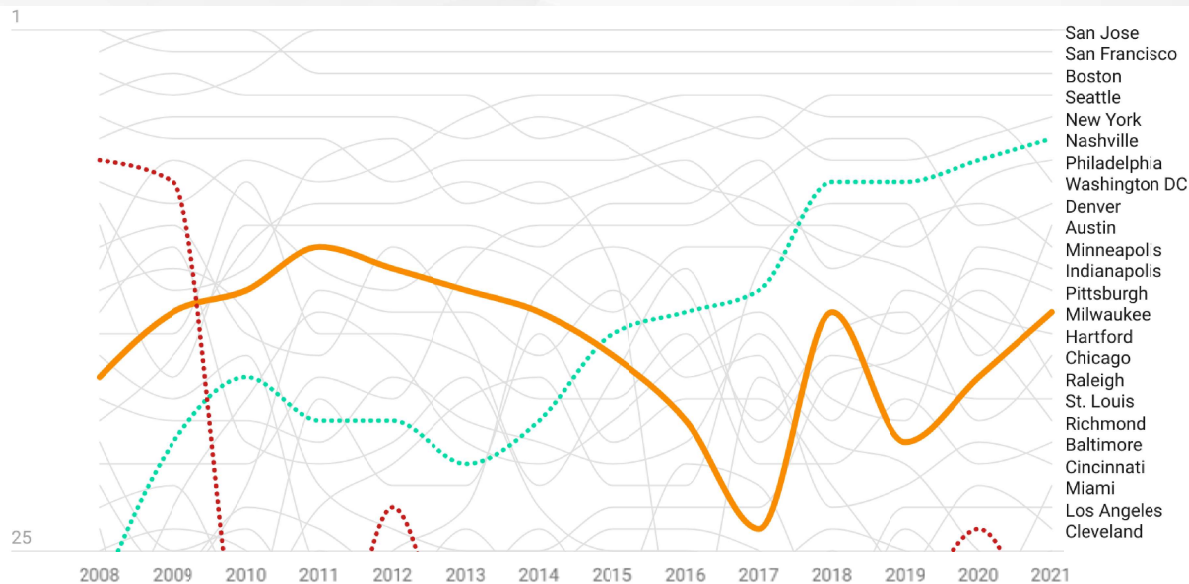
Region	2023 Jobs	Change from 2010	%	Retiring Soon (55+)
U.S.	172,310,338	26,327,951	18%	99,880,289
MILWAUKEE	1,095,957	67,751	7%	622,296
Cleveland	1,090,050	33,304	3%	646,242
Columbus	1,187,834	204,003	21%	566,463
Indianapolis	1,183,783	220,864	23%	576,925
Kansas City	1,192,204	156,846	15%	629,954
Pittsburgh	1,179,324	-18,232	-2%	839,856
St. Louis	1,486,125	99,303	7%	886,762

Top 25 U.S. metros by per capita income

1	San Jose	\$106,026
2	San Francisco	\$89,632
3	Boston	\$73,050
4	Seattle	\$67,654
5	New York	\$64,511
6	Nashville	\$63,642
7	Philadelphia	\$63,342
8	Washington	\$63,025
9	Denver	\$62,160
10	Austin	\$61,940
11	Minneapolis	\$60,276
12	Indianapolis	\$60,124
13	Pittsburgh	\$59,975
14	Milwaukee	\$59,752
15	Hartford	\$59,711
16	Chicago	\$59,294
17	Raleigh	\$59,104
18	St. Louis	\$58,427
19	Richmond	\$58,373
20	Baltimore	\$58,281
21	Cincinnati	\$58,085
22	Miami	\$58,072
23	Los Angeles	\$57,836
24	Cleveland	\$57,094
25	Kansas City	\$56,925

Personal income rankings 2021 – top 25 of 50 largest metros

Rank Chart for Real Per Capita Personal Income



Source: U.S. Bureau of Economic Analysis • Created with Datawrapper

— Metro Milwaukee fastest increase (Nashville) Largest decline (Charlotte)

Milwaukee 7 Wins to Date

29,572

**JOBS
CREATED**

\$1.8B

**ANNUAL
PAYROLL**

\$6.48B

**CAPITAL
INVESTMENT**

BIGGEST LIABILITIES



**K-12 Education
(MPS)**



**Crime
(City)**



**Racial/
Economic
Disparities**



**Workforce
Shortages**



**Individual
Tax Rates**

Prosperity Ranking by Race

20 peer metros

White

1. Raleigh
2. Baltimore
3. Minneapolis
4. San Jose
5. Chicago
6. **Milwaukee**
7. Charlotte
8. San Antonio
9. Nashville
10. Orlando
11. St. Louis
12. Kansas City
13. Salt Lake
14. Indianapolis
15. Cleveland
16. Portland
17. Detroit
18. Columbus
19. Cincinnati
20. Pittsburgh
21. Buffalo

Black

1. Raleigh
2. San Antonio
3. Charlotte
4. Baltimore
5. Portland
6. Nashville
7. Chicago
8. Orlando
9. Indianapolis
10. Kansas City
11. Minneapolis
12. St. Louis
13. Columbus
14. Pittsburgh
15. Cincinnati
16. Louisville
17. Oklahoma City
18. Detroit
19. Cleveland
20. Buffalo
21. **Milwaukee**

Brown

1. St. Louis
2. Baltimore
3. Columbus
4. Minneapolis
5. Detroit
6. Indianapolis
7. Kansas City
8. San Antonio
9. Orlando
10. Salt Lake
11. San Jose
12. Nashville
13. Charlotte
14. Portland
15. Chicago
16. Cincinnati
17. Memphis
18. Raleigh
19. Cleveland
20. **Milwaukee**
21. Oklahoma City

POPULATION CHANGE: 2010 – 2023

Region	2023 Population	Change	%
U.S.	335,528,243	26,201,100	8%
MKE	2,024,745	→ 3,806	0%
Cleveland	2,073,616	-1,860	-0%
Columbus	2,173,348	→ 266,940	14%
Indianapolis	2,169,123	→ 276,460	15%
Kansas City	2,229,833	→ 216,410	11%
Pittsburgh	2,370,722	13,601	1%
St. Louis	2,806,536	16,432	1%

KEY METRICS: RESIDENT POPULATION

Region	Median Household Income	Bachelor's Degree +	< HS Diploma	Median Age
U.S.	\$69,021	34.1%	10.9%	38.1
MKE*	\$73,560	← 36.1%	7.8% →	38.1
Cleveland	\$61,320	33.3%	8.3%	41.3
Columbus	\$71,020	39.0%	← 7.8%	36.2 →
Indianapolis	\$67,330	37.2%	9.3%	36.6 →
Kansas City	\$73,299	38.5%	7.2%	37.6 →
Pittsburgh	\$65,894	37.6%	5.1%	← 42.8 →
St. Louis	\$69,635	36.9%	6.9%	39.6

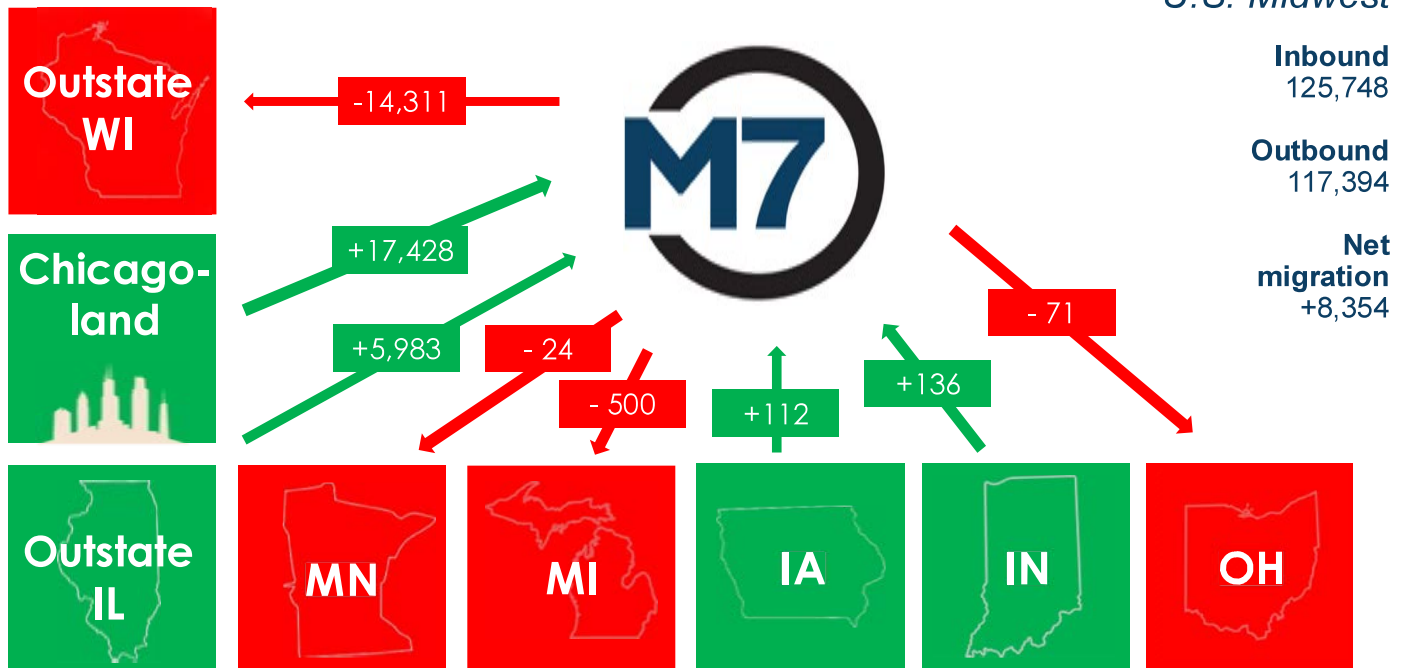
* Data for Milwaukee-Waukesha MSA, not M7 region

NET MIGRATION: 2016 – 2020



M7 NET MIGRATION: 2016 – 2020

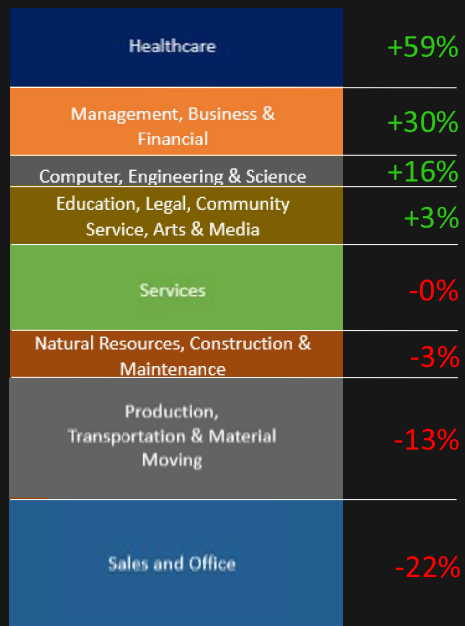
U.S. Midwest



NET MIGRATION FROM HOME STATE: 2016 – 2020



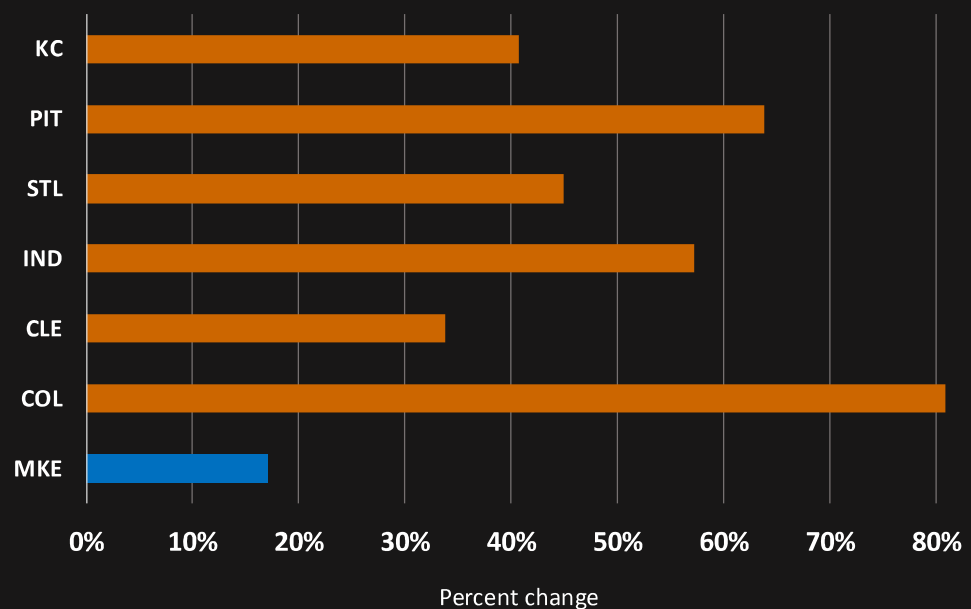
M7 REGION JOB CHANGE 2001 – 2023



2023

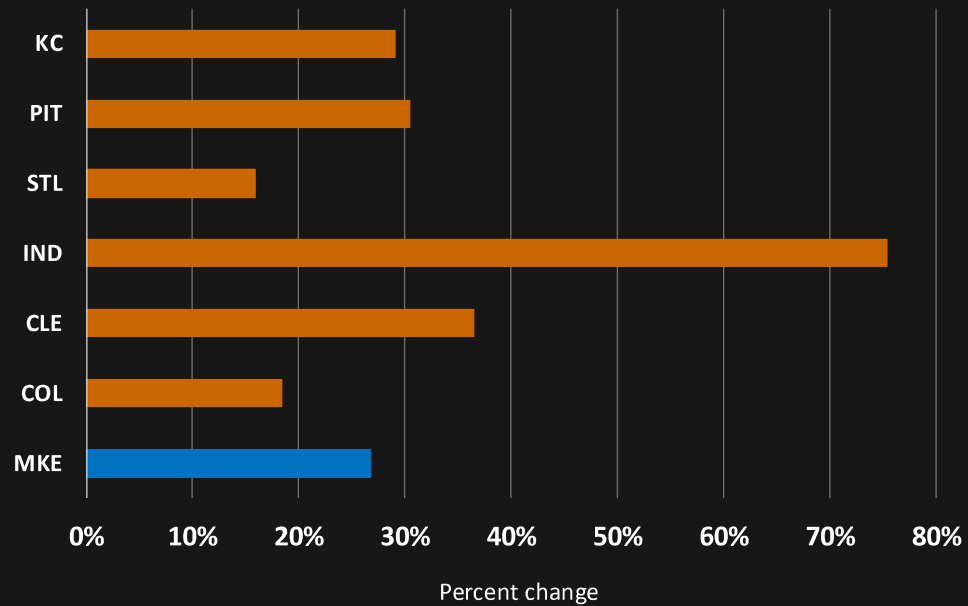
REGIONAL JOB CHANGE 2001 – 2023

Management
Employment



REGIONAL JOB CHANGE 2001 – 2023

Computer & Mathematical Employment



HIGH-VALUE EMPLOYMENT CONCENTRATION – 2022

Jobs paying > \$90,000/yr.

Comparative advantage

Comparative disadvantage

Industry	MKE LQ	Earnings Per Worker (US)	Projected US Job Growth Thru 2033
Management of companies & enterprises	1.84	\$169,626	15%
Professional, scientific & technical services	0.69	\$126,397	15%
Information	0.64	\$164,478	13%
Finance & insurance	1.02	\$148,730	10%
Wholesale trade	1.17	\$109,087	4%
Manufacturing	1.80	\$96,882	4%
Utilities	0.69	\$170,779	3%
Mining, quarrying & oil & gas extraction	0.15	\$139,264	3%

LQ (Location Quotient) measures the concentration of employment in a specific geographic locale compared to the US as a whole

Demographics Are Destiny

Metro Milwaukee

	POPULATION	2010-20	WORKING AGE BACHELOR'S DEGREE +	NO HIGH SCHOOL DIPLOMA	MEDIAN AGE
City	577,000	-3.0%	26.5%	14%	32.0
Metro	1,574,000	+1.2%	37.8%	8%	38.1
State	5,894,000	+3.6%	31.9%	7%	40.1

MPS Referendum Vote

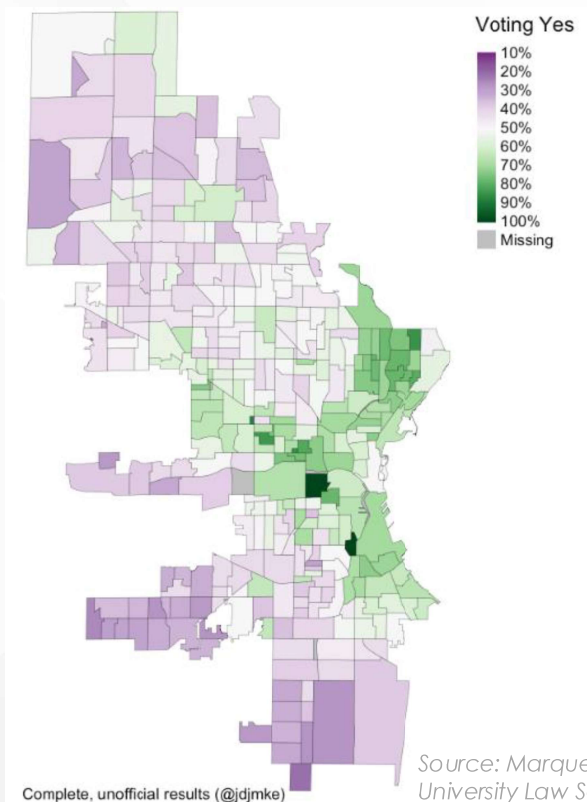
41,586 votes in favor (51%)
39,866 votes against (49%)
Difference: 1,720 votes
MTEA has 5,300 Education Workers in Milwaukee
MPS has 8,593 FTEs / 10,000 Employees

The referendum vote was **No**

- in majority Latino wards
- in majority Black wards
- in the majority of Milwaukee wards
- on election day
- wards with more children (larger households)

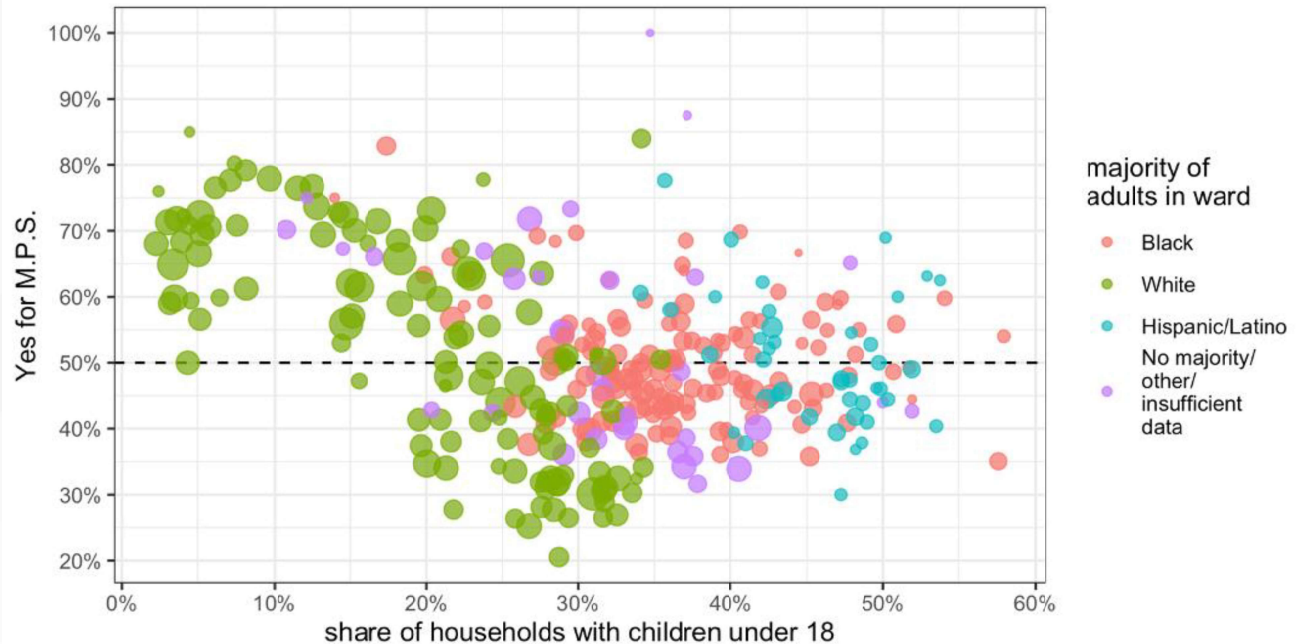
Yes in white wards

Yes on absentee ballots



M.P.S. Referendum vote by the share of households with children

Each dot is a ward whose size corresponds to the number of votes cast.



Complete, unofficial election night results. Demographics from the 2020 census. Graph by @jdjmke.

Source: Marquette University Law School

MMAC

K-12 city of Milwaukee

MATH & READING PROFICIENCY

All students

(1 out of 5)



Hispanic/Latino

(1 out of 7)



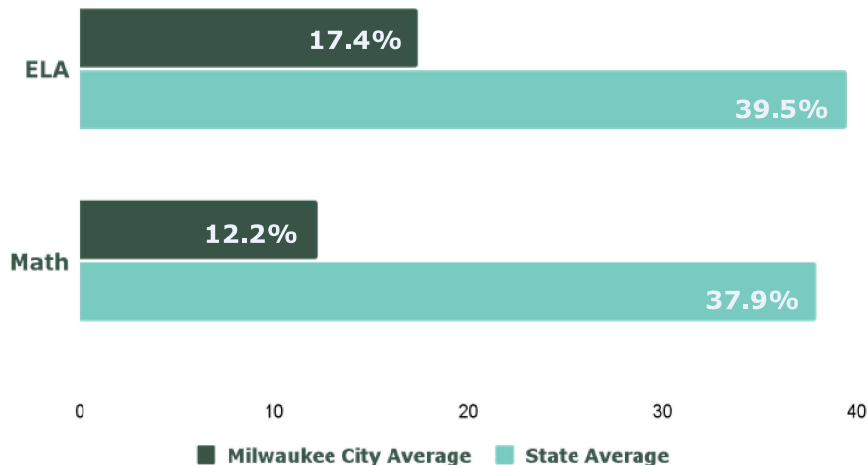
African American

(1 out of 10)



Our Student Proficiency Challenge: Milwaukee's Academic Crisis

Citywide Proficiency



ONLY **16%**

of **students** in Milwaukee
are on grade level in
Reading and Math

ONLY **13%**

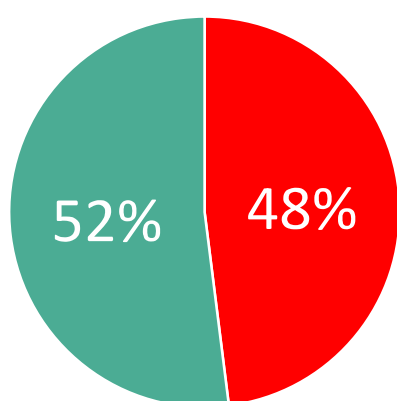
of **Hispanic students** are
on grade level

ONLY **10%**

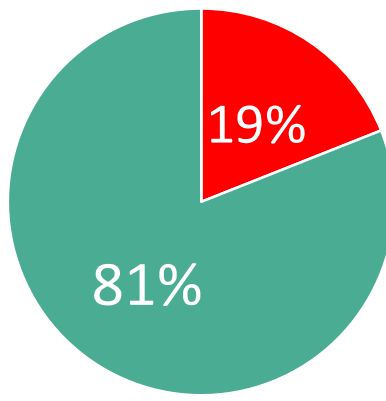
of **Black students** are on
grade level

ARD
IVE

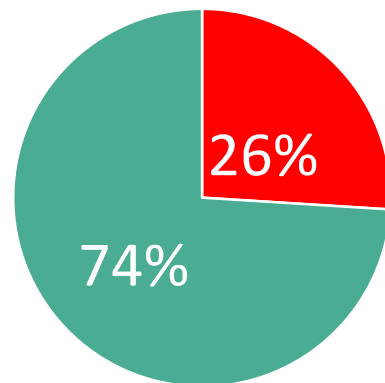
% of students at schools meeting/exceeding expectations



MPS



Choice

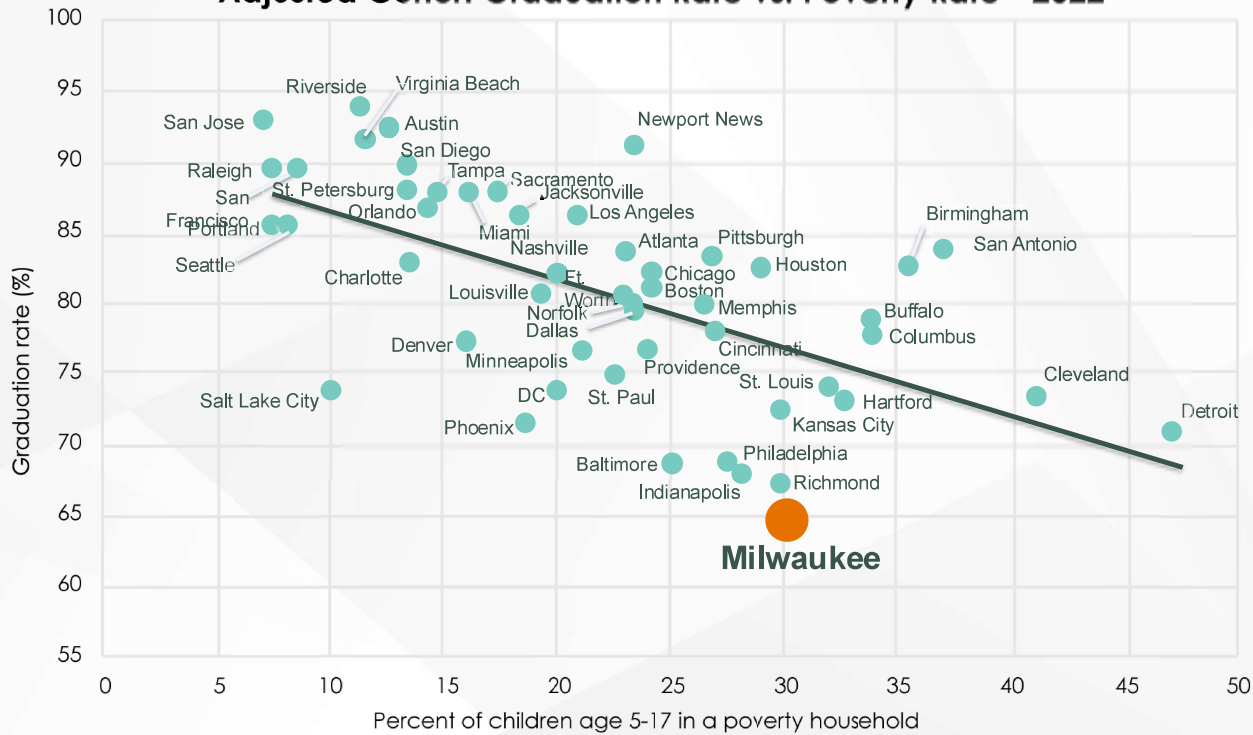


Charter

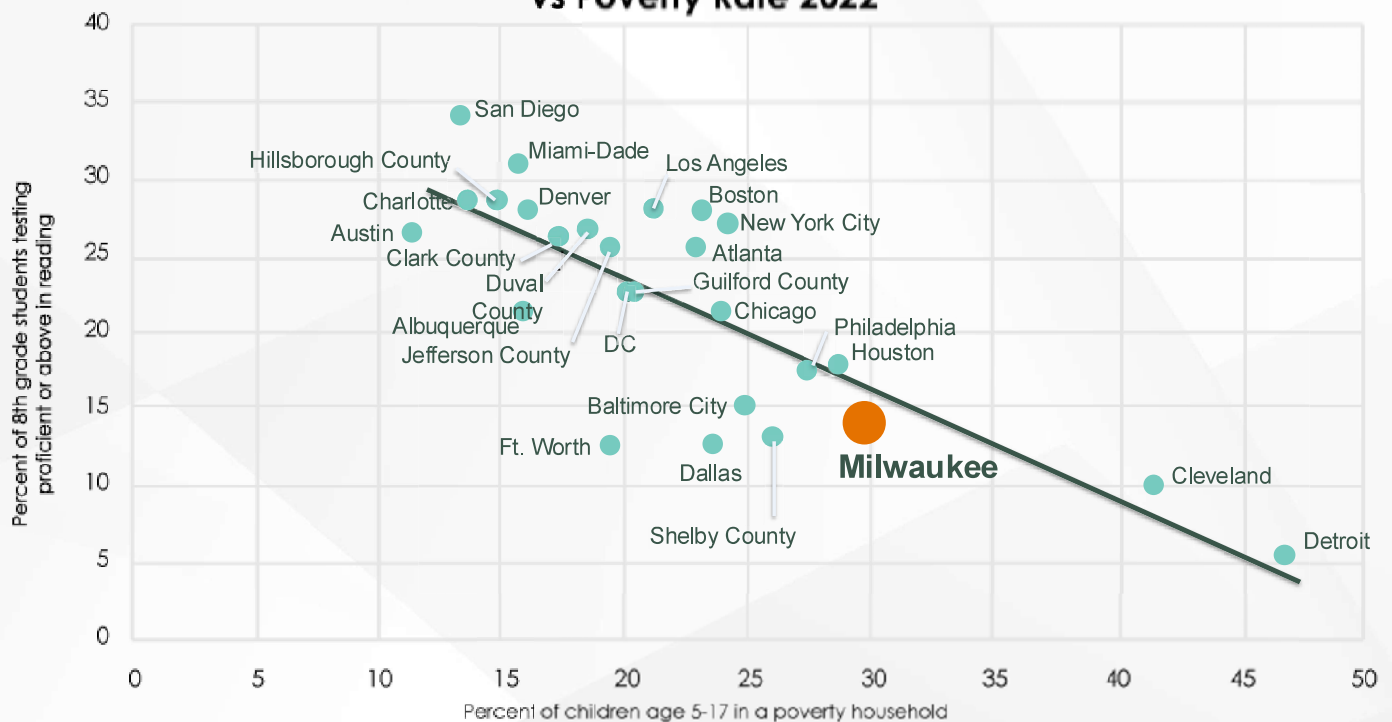
Data from January 2024 – City Forwards Collective

CITY FORWARD
COLLECTIVE

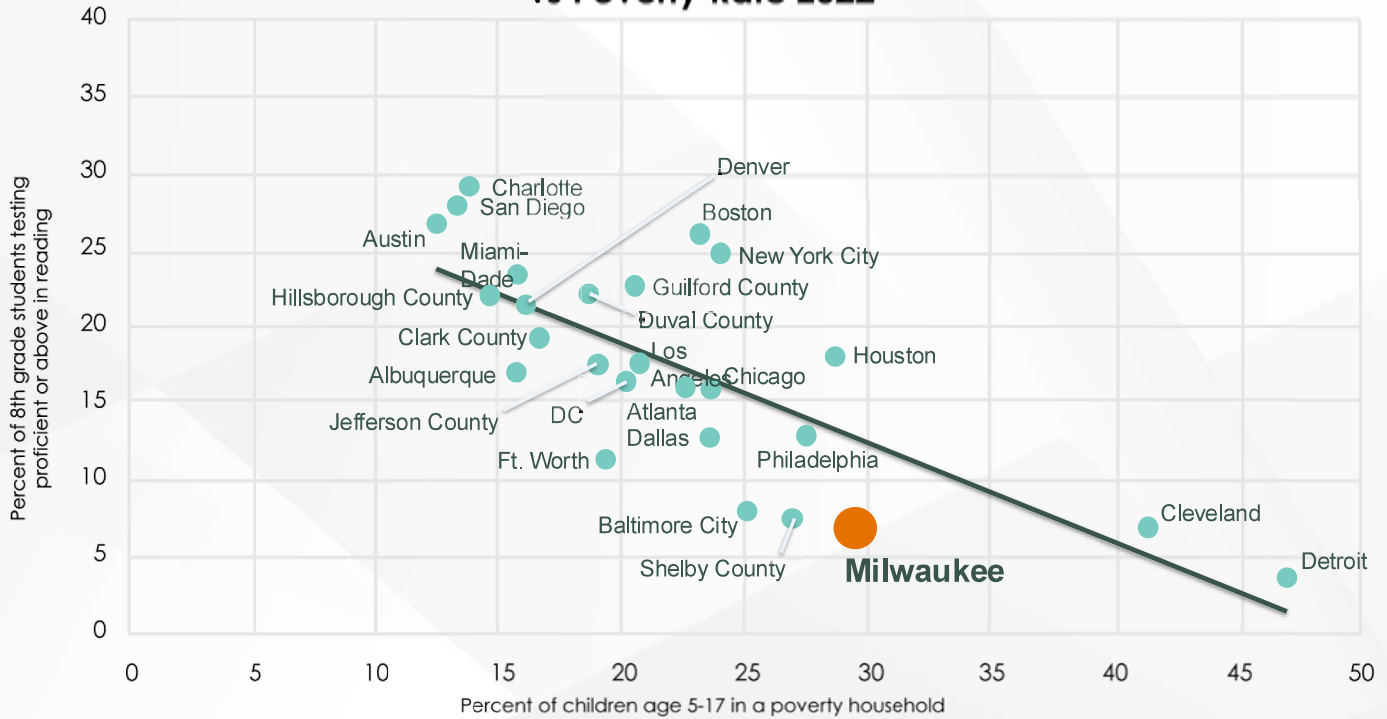
Adjusted Cohort Graduation Rate vs. Poverty Rate - 2022



8th grade reading - % Proficient or Above vs Poverty Rate 2022



8th grade Math - % Proficient or Above vs Poverty Rate 2022



MMAC

M7 REGION: COMPETITIVE POSITION

STRENGTHS

- High household income
- Proximity to Chicago
- Manufacturing pedigree; high productivity
- Significant base of large, global companies
- Resiliency

WEAKNESSES

- Stagnant population growth
- Competing talent destinations nearby (Chicago and Madison)
- Milwaukee K-12 Education
- Lack of mid-income employment opportunities
- Low percentage of residents with 4-year degree

OPPORTUNITIES

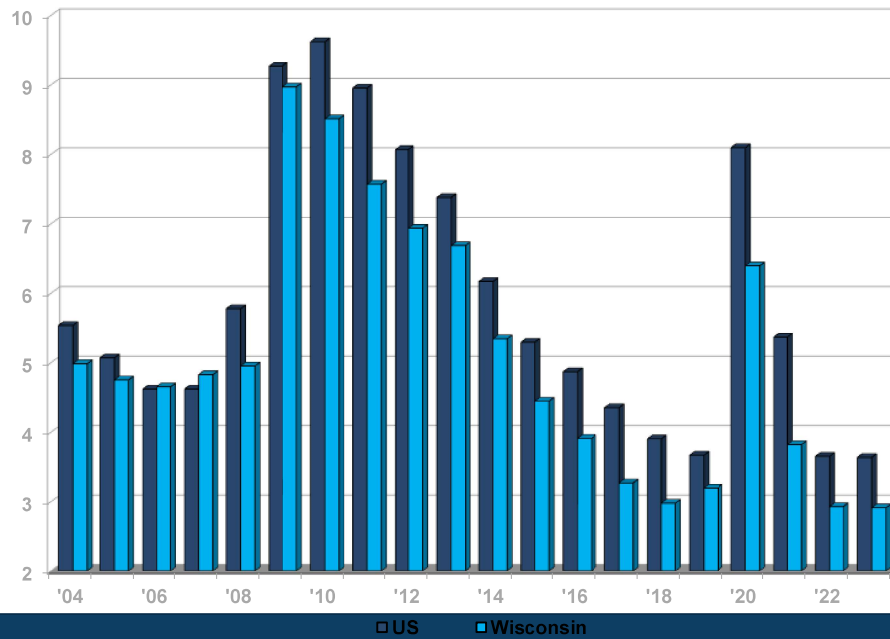
- Microsoft – AI Leadership
- Further migration from Chicagoland (i.e., Milwaukee as a Midwest talent destination)
- Align postsecondary engineering schools with company needs

THREATS

- Continued loss of productions jobs
- Rise of Madison
- Tilting of U.S. industrial landscape to the south
- Misalignment of global growth sectors with regional assets

US to Wisconsin Unemployment Rates

Percent



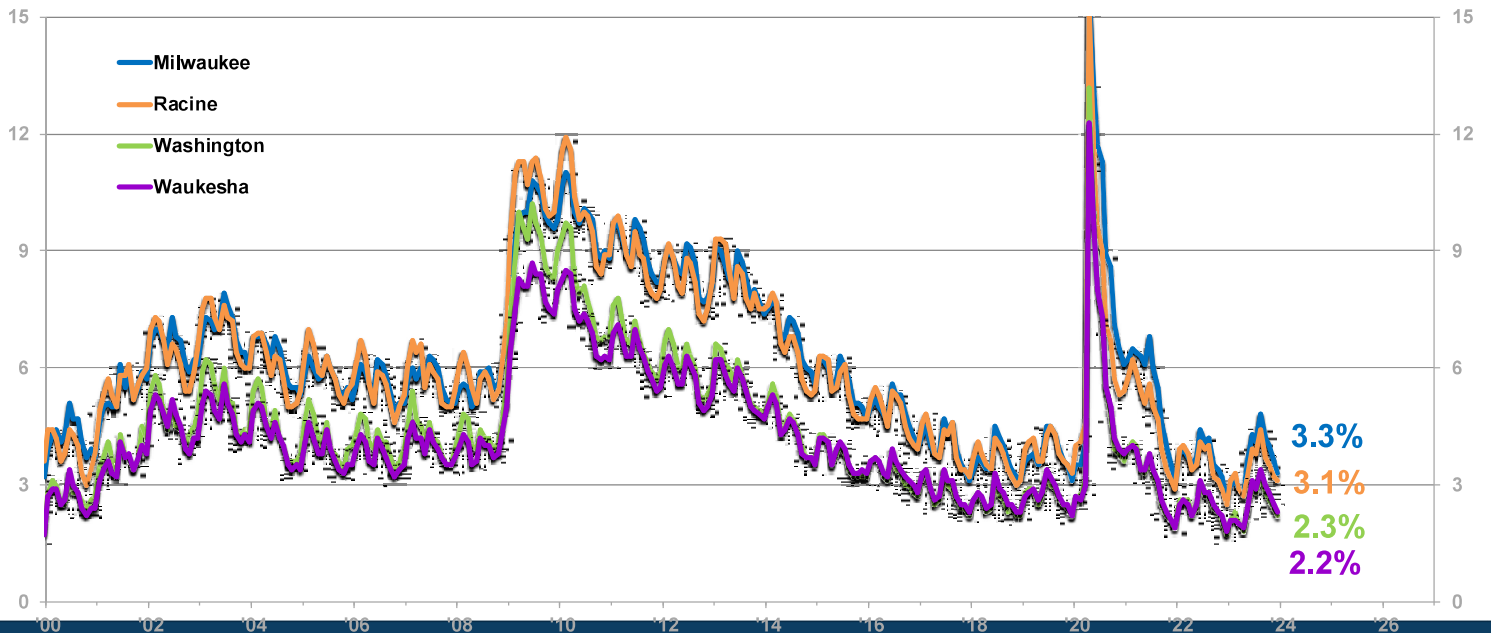
December 2023

US 3.7%

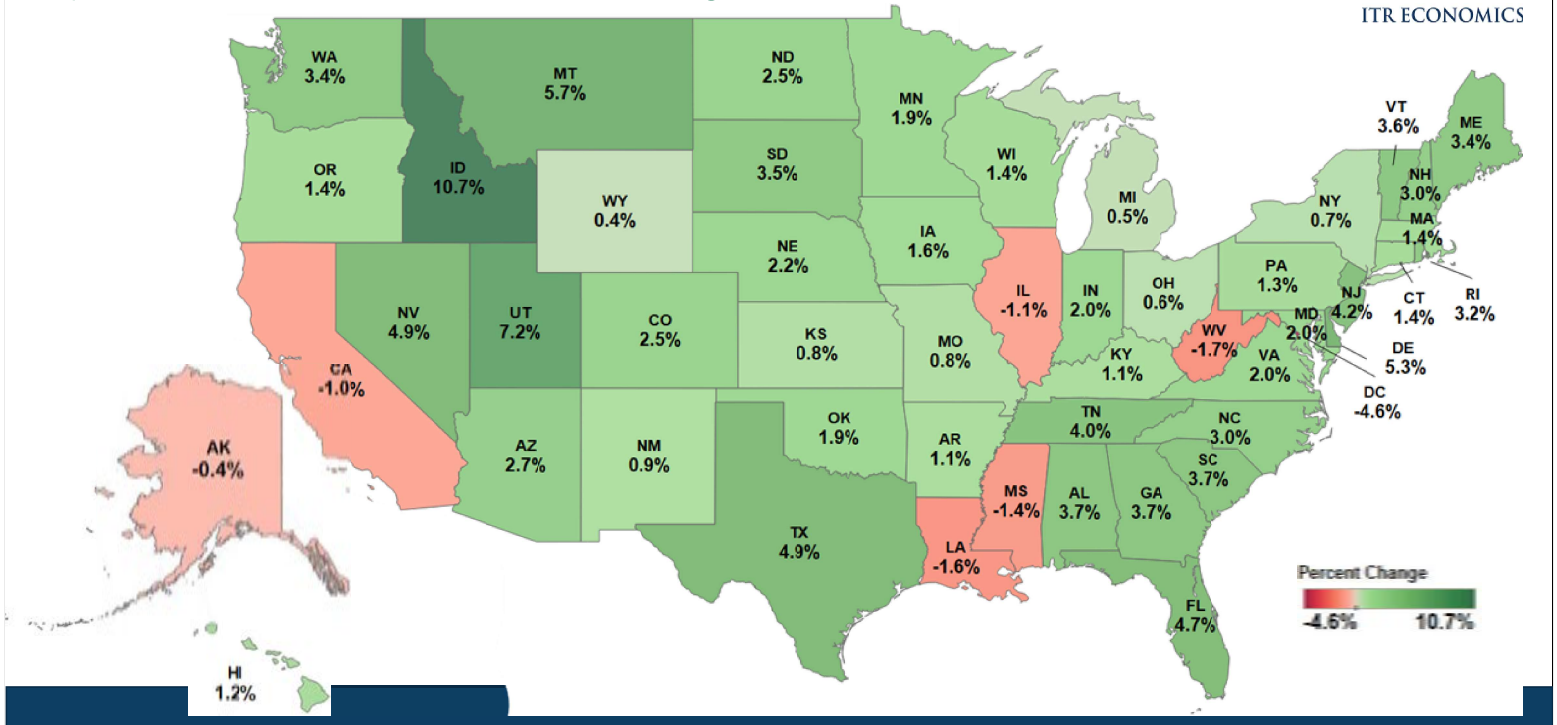
WI 3.3%

County Unemployment Rates

Raw Data, Percent



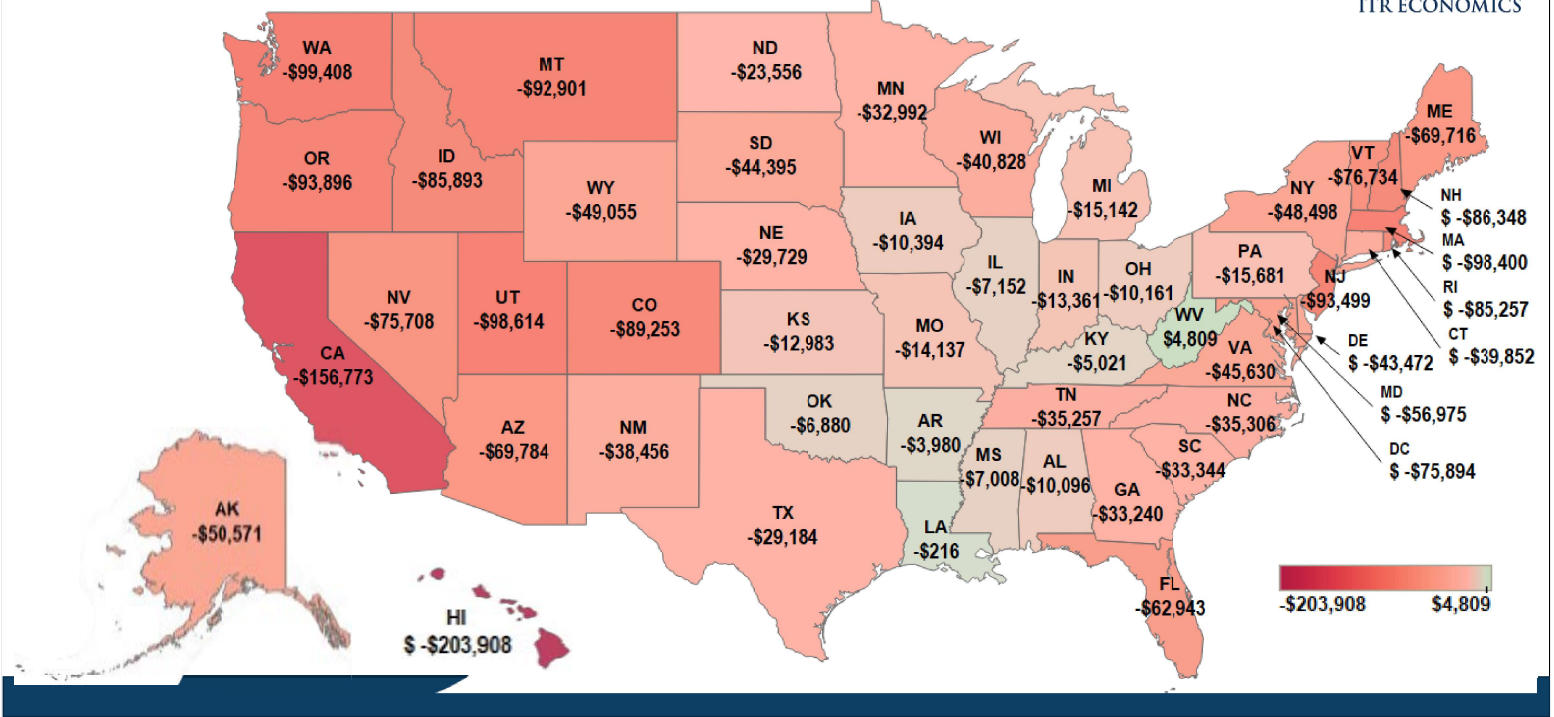
Population Growth 2018 – 2022, Percent Change



Percent Change from Population Estimates 2018 to 2022

Area	Growth Rate
Milwaukee County	-3.0%
Waukesha County	2.0%
Ozaukee County	4.4%
Washington County	1.7%
Racine County	-0.3%
Kenosha County	-0.7%
Walworth County	1.8%
United States Total	2.0%

Average Household Income Surplus or Deficit to Income Needed to Afford an Average Priced Home



9:35 – 10:35 a.m.

Employment Law Updates

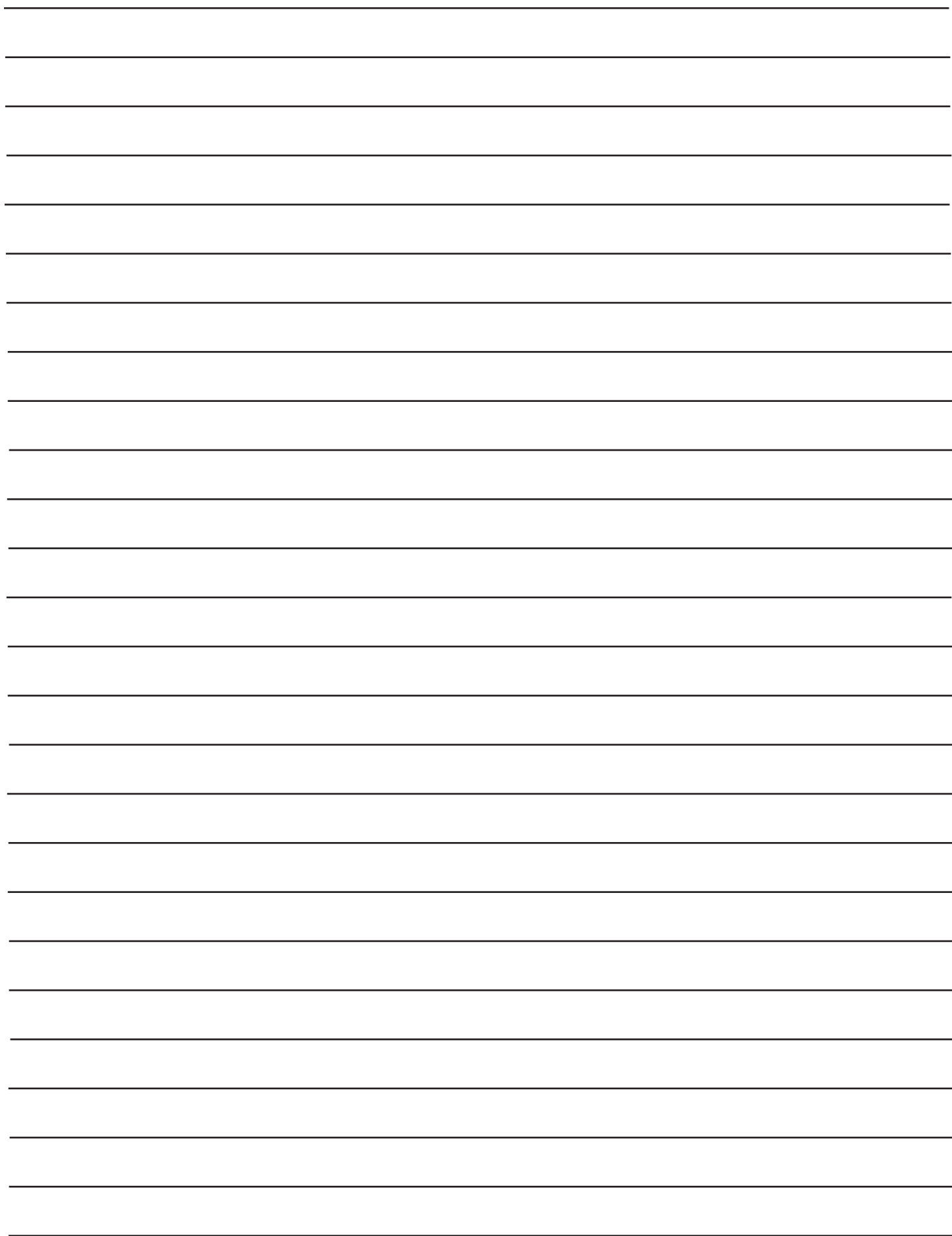
Geoff Trotier, J.D., *Partner, Husch Blackwell LLP*

Notes

Wisconsin Institute of Certified Public Accountants

W233N2080 Ridgeview Parkway, Suite 201 | Waukesha, WI 53188 | wicpa.org

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



10:55 – 11:55 a.m.

Trends in Retirement Plans

Manuel Rosado, MBA, *President & Partner, Spectrum
Investment Advisors*

Trends in Retirement Plans



Presented by: Manuel Rosado, MBA – President | Partner

October 22, 2024

Table of Contents



Key Sections

- Spectrum Update
- 5 Key Trends
 - Service & Consolidation
 - Regulatory (SECURE 2.0)
 - Expanded investment alternatives
 - Tax strategies
 - Financial wellness
- Summary & Q&A



Spectrum Update

About Spectrum Investment Advisors



\$4.43 Billion
in assets as of 9/30/2024¹

29 years
as Professional Retirement Plan Advisors

CFP® · CFA® · AIF® · CEBS® · CPFA™ · CPFC® · CRC® · GFS® · NQPA™ · Series 65

Registered Investment Advisor with the SEC²

¹ \$4.03 billion under advisement, \$395 million under management.
² Registration with the SEC does not imply a certain level of skill or training.



Core Services



Retirement Plans

Confidently design and manage a powerful plan.

- Plan design consulting
-
- Fiduciary training
-
- Investment monitoring
-
- 401(k) | 403(b) | 457
-
- Corporate | Non-Profit



Financial Wellness

Drive engagement and productivity.

- Targeted education
-
- Individual advice
-
- Customized action plan
-
- One-on-one meetings
-
- Digital & printable resources



Wealth Management

Turn financial goals into reality.

- Holistic planning
-
- Asset management
-
- Income strategies
-
- Rollovers | IRAs
-
- Individual | Family | Trust



Awards and Recognition

Industry Leaders

We are recognized as industry leaders for our work in the board room and break room.



Great Place to Work

Our award-winning workplace culture isn't just about us, it's about the ripple effect it creates for our clients. A collaborative, happy team enables us to serve our clients better and help them reach their goals.

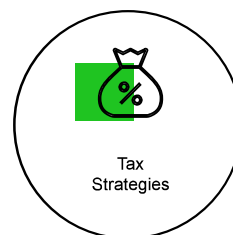
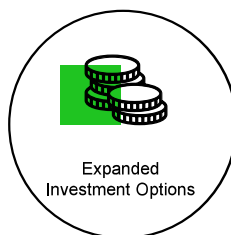
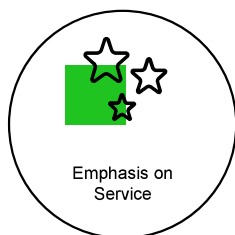


Spectrum was named a 2024 Top DC Advisor Team by the National Association of Plan Advisors (NAPA) on March 18, 2024. The award is based on self-reported assets under advisement as of December 31, 2023. | Spectrum was named a 2023 Top Retirement Planning Services Provider in February 2023. These awards were based on data from 2022 respectively. Spectrum paid a licensing fee for use of this designation and logo. | Spectrum was named a winner by the National Association for Business Resources for the 2024 Milwaukee's Best and Brightest Companies to Work For® on March 14, 2024. Responses to the survey were based on the time period of June 11, 2023 through December 20, 2023. Spectrum paid a licensing fee for use of this logo. | Spectrum Investment Advisors was named a winner in the micro category for the Milwaukee Business Journal's 2024 Best Places to Work. The rating was given on September 11, 2024 and results were based on the year 2024. Spectrum paid a licensing fee for use of this logo. | Spectrum was named a 2024 Best Places to Work for Financial Advisors by InvestmentNews February 28, 2024 and was also recognized for this on achievement in 2020, 2022, & 2023. These awards were based on data from 2022 and 2023 respectively. Spectrum paid a licensing fee for use of this designation and logo. | Spectrum was named a Best Place to Work in Money Management for 2022 by Pensions & Investments (P&I). The rating was awarded on December 12, 2022 and previously on December 6, 2021, December 2, 2020, December 9, 2019 and December 4, 2017. The recognition is based on data from 2022, 2021, 2020, 2019 and 2017 respectively. Spectrum paid a licensing fee to Pension & Investments for use of this designation and logo.



Plan Trends

Retirement Plan Trends



- Service – Shift from cost-driven decisions to seeking expertise and quality services
- SECURE 2.0 – New provisions for plan sponsors to consider and adapt
- Expanded Investments – CITs, guaranteed income products
- Integration of Health & Wealth – Tax benefit and investment opportunity for Health Savings Accounts
- Financial Wellness – Employees value guidance and access to financial planning

Recordkeeping Platforms

TOP 40 DC RECORD KEEPERS BY ASSETS In millions, as of December 31, 2022

RANK	RECORD KEEPER	ASSETS	PLANS	PARTICIPANTS
1	Fidelity Investments	\$2,874,561	34,902	29,947,387
2	Empower	\$1,231,212	80,401	16,830,193
3	Alight Solutions	\$1,162,944	228	11,713,594
4	TIAA	\$643,049	23,429	6,718,095
5	Vanguard	\$624,938	32,567	5,989,246
6	Voya Financial	\$454,218	62,479	6,654,060
7	Principal Financial Group	\$449,988	46,769	11,200,948
8	Ascensus	\$253,475	95,289	4,377,914
9	Bank of America Corporation	\$247,058	1,013	4,853,266
10	T. Rowe Price	\$221,562	7,695	2,304,004
11	Schwab Retirement Plan Services, Inc.	\$215,978	1,178	1,547,339
12	John Hancock	\$180,816	53,838	3,213,653
13	Transamerica Retirement Solutions LLC (Trans)	\$174,176	21,408	3,392,064
14	Nationwide Financial	\$165,559	31,883	2,705,652
15	ADP	\$100,648	85,881	3,706,475
16	Capital Group, home of American Funds	\$89,976	65,959	1,423,351
17	Lincoln Financial Group	\$88,735	22,385	1,661,799
18	Corebridge Retirement Services*	\$74,670	23,851	1,992,209
19	MissionSquare Retirement (formerly ICMA-RC)	\$59,743	6,810	1,514,072
20	OneAmerica	\$57,272	10,748	1,109,338

Spectrum Investment Advisors' recordkeeping partners

Source: PLANSPONSOR, 2023 Recordkeeping Survey - June 30, 2023

*Through its Retirement Services recordkeepers VALIC & VALIC Retirement Services Company (VRSCO)

**This provider is not included in the 2023 PLANSPONSOR Recordkeeping Survey - data as of 12/31/22

Source: AssociatedBank, Johnson Bank

RANK	RECORD KEEPER	ASSETS	PLANS	PARTICIPANTS
21	Paychex, Inc.	\$41,291	109,096	1,832,377
22	The Standard	\$40,942	6,083	1,101,298
23	Milliman, Inc.	\$38,597	1,002	967,806
24	Equitable	\$38,566	25,394	1,070,563
25	NWPS	\$37,117	959	416,811
26	Alerus Retirement and Benefits	\$30,369	7,116	367,351
27	PCS Retirement	\$23,615	19,689	418,572
28	EPIC Retirement Plan Services	\$20,200	5,322	273,264
29	Mutual of American Financial Group	\$17,369	17,053	637,418
30	Ameritas	\$14,917	8,228	262,200
31	CUNA Mutual Group	\$14,240	7,932	220,188
32	GuideStone Financial Resources	\$13,534	2,061	218,690
33	Sentinel Benefits & Financial Group	\$10,104	1,307	144,567
34	BOK Financial	\$8,428	664	140,860
35	J.P. Morgan Asset Management	\$8,215	1,658	146,777
36	Guideline	\$7,349	37,306	674,266
37	Associated Bank**	\$5,219	457	74,833
38	July Business Services	\$4,801	3,316	73,286
39	Human Interest	\$3,453	10,728	367,532
40	Correll Co.	\$2,007	743	69,000

Johnson Bank**

TOTAL

\$9,752,081 964,869 132,348,385



9

SECURE Act 2.0

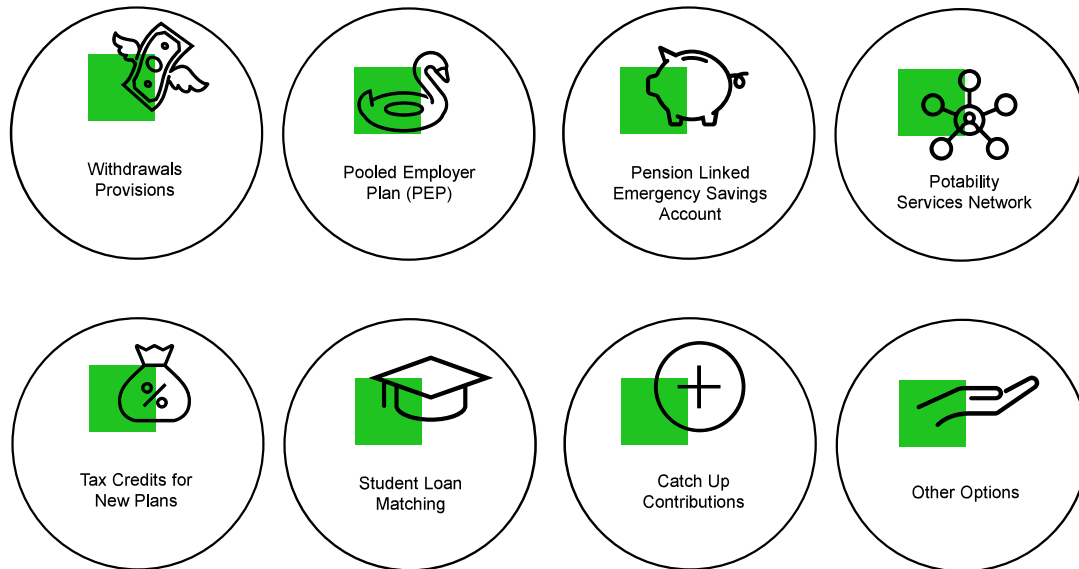
Keeping Plan Sponsors Informed

- SECURE Act 2.0 Summary
- Signed into law December 29, 2022
- Expands Coverage and Increase Retirement Savings
- Improve Retirement Outcomes
- Ease of Administration
- Provisions effective 2023-2027



10

SECURE Act 2.0



Withdrawal Provisions

- Increased Force Out Limit to \$7,000
- Self-Certification for Hardship Withdrawals
- Penalty-Free Withdrawals
 - Victims of Domestic Abuse
 - Federally Declared Disasters
 - Terminal Illness
 - Emergency Savings
- All of the above are Optional Provisions





Pooled Employer Plans (PEPs)

- Allows multiple unrelated businesses to share a 401(k) plan
- PEPs are managed by a pooled plan provider (PPP)
- One investment lineup across all plans typically managed by a 3(38) fiduciary manager
- Providers can allow for each company to set their own plan parameters
- One plan audit
- Requires termination of existing plan and starting a new plan (auto features)



Source: Secure Act 2.0

13



Emergency Savings Account

- Short-term emergency savings accounts linked to retirement plan provider
- May automatically enroll at a rate of up to 3% of compensation (fiduciary safe harbor for automatic enrollment)
- Contributions are capped at \$2,500 (after-tax contributions only)
- Invested in cash, interest bearing deposit accounts, and principal preservation accounts
- Participants must be allowed to take at least one withdrawal per month, and the first four withdrawals per year cannot be subject to fees
- There cannot be minimum contribution or balance requirements



14



Portability Services Network

- Automatic movement of a terminated participant's small balance account (increase to \$7,000) from a former employer's retirement plan to an active account at a new employer's plan
- Network of initial providers participating (Alight, Empower, Fidelity, Principal, Vanguard, TIAA) with more to join
- Plan sponsors chose to opt in to this service – different process for each provider
- Participants pay for the service
 - One-time transfer fee: Maximum charge is \$30, but accounts with less than \$600 will be charged 5% of balance, and accounts with less than \$50 will be processed at no charge
- Issues with Roth balances



Tax Credits

Tax Credits for New Plans

- Up to 50 employees can claim up to 100% of the start-up administration costs (max \$5,000) for 3 years.
- Up to 100 employees, 100% tax credit for employer contributions up to \$1k per employee making <\$100k for 1 year then phased out by 25% over the next 3 years.

New Plans Require Automatic Enrollment and Escalation (2025)

- Auto enroll deferral amount between 3 – 10%
- Auto increases by 1% up to 10 – 15% per year.





Matching Options

Matching Student Loans

- Option to apply the matching formula to the student loan repayment amount and deposit the match into the workplace retirement savings plan

Roth Employer Contributions

- Option to allow matching or nonelective contributions as Roth contributions
- Applicable only to vested contributions



Catch-Up Contributions

Catch-Up Contributions (2025)

- Employees between the ages 60 - 63 years will be allowed to increase their catch-up contribution to the greater of 150% of the normal catch-up amount or \$10,000 in 401(k), 403(b), and governmental plans

Catch-Up Contributions must be Roth for certain savers (2026)

- For participants over age 50 earning more than \$145,000, catch-up contributions need to be made as Roth contribution



Other SECURE 2.0 Provisions

Paper Statement Mandate (2026)

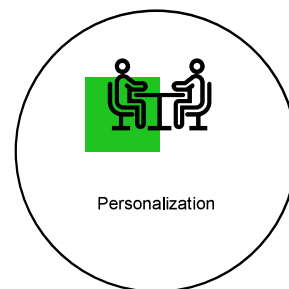
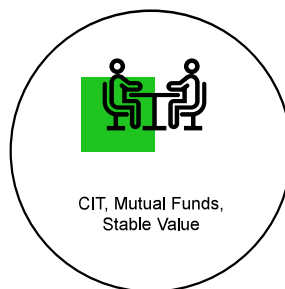
- For defined contribution plans-401(k) and 403(b)-must provide at least one paper statement/year unless participant opts out.

Improving Retirement Plan Access for Part-Time Workers (2025)

- Long-term, part-time employees who meet the eligibility requirements will be allowed to save through the company's retirement plan.
- The stated eligibility rules are for employees who work for two consecutive 12-month periods during each of which they have at least 500 hours of service.
- Employers are not required to match contributions.



Expanded Investment Options



In-Plan Income Solutions

Designed to convert participant retirement savings into an income stream customized to their individual needs.

Important Factors

\$ Cost

💡 Portability

🔑 Accessibility

👤 Education

New Options Available

- Target date fund series managing the glide path allocations implementing an annuity
- A spend-down strategy and proprietary variable annuity
- Access to an annuity marketplace that offers a wide range of out-of-plan annuity offerings
- Managed accounts with a guaranteed lifetime withdrawal benefit



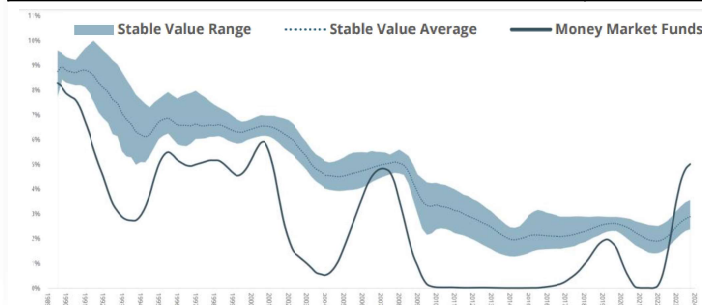
CIT - Collective Investment Trusts

- Similar structure to a mutual fund
 - Pooled investment vehicle from multiple investors in a single portfolio with a specific investment strategy (no tickers)
 - Many investment firms building CIT's that replicate existing mutual funds
 - CITs are regulated by the Office of the Comptroller of the Currency or state banking regulators; mutual funds have Securities and Exchange Commission (SEC) registration requirements
- CITs are administered by a bank or trust company
- Only available to qualified retirement plans and require a contract
- Can have negotiated fee structures based on assets under management



Stable Value Funds Overview

What are they?	Are guarantees involved?	Are they risk-free?
Low risk, capital preservation investment options available to retirement plans	Yes, generally return of principal and may include minimum crediting rate (e.g. 1%)	No, ultimately the risk is in the strength of the party providing the guarantee
Are participant withdrawals restricted?	Restrictions on plan level withdrawals?	Other Restrictions?
No, participants are offered full daily liquidity	Yes, a full plan withdrawal or exchange may require 12-24 months notice and/or may be subject to an MVA	Plans with a stable value fund are generally not allowed to offer money market or short-term bond funds
What are the fees?	Are they common in retirement plans?	
Stable value fund fees are generally comparable to an actively managed mutual fund	75% of 401(k) plans offer a stable value fund <i>(Alight Solutions Trends & Experience in DC Plan Survey)</i>	



Stable value funds have a history of providing continuously positive returns throughout both times of rising interest rates and challenging periods such as the dot-com bubble, financial crisis and COVID-19.

Source: Stable Value Association, Reliance MetLife, as of 3/31/2023

Stable Value is represented as a composite of the historical returns derived from data collected by the SVIA for its four stable value market segments (individually managed accounts, pooled funds, insurance company general accounts, and insurance company separate accounts). Historical return data is presented as both a range (with the top and bottom deciles removed) and as an average.

Data from 1989 to 2008 was collected from stable value managers to form a composite for use in research conducted by David Babbel and Miguel Hecce, and data from 2008 to present is sourced from the SVIA's Quarterly Characteristics Survey with the period from 2008 to 2015 derived from reported crediting rate data. Returns are gross of stable value management fees but net of fees necessary to deliver the product, such as stable value wrap, third party fixed income management, trust, custody, and fund administrative fees. This composite is composed of varying types of stable value products and, as such, should not be used as a comparison to a specific product. *Money Market* is a simulation of money market returns from the iMoneyNet MFR Money Funds Index. Returns illustrated are gross before any fees. Past performance is not indicative of future results.

23

Personalization of Investments

Managed Accounts

- Professional money manager on behalf of an investor
- Online questionnaires and account aggregation tools to provide more specific advice
- Additional fees: manager, recordkeeper, advisor

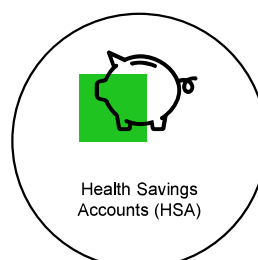
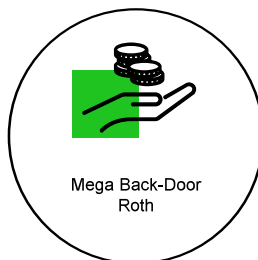
Target Date Funds

- Multiple risk levels of target date fund glide paths

AI

- Use of AI tools to a personalized online experience
- Personalized communication

Tax Strategies



- After-Tax – Allows for contribution levels beyond annual contribution limits
- Mega Back-Door Roth – Convert after-tax contributions to Roth account (401k or IRA)
- HSA – Triple tax-free savings account devoted to tackling health-care costs



After-Tax Contributions & Roth Conversion



- Plan must allow for After-Tax contributions & in-plan Roth conversions
- Note: Non-discrimination testing applies to after-tax contributions part of ACP test



Integration of Health & Wealth

Health Savings Account

- Requires high-deductible health insurance plan
- Contributions are not subject to federal taxes (and most state)
- Earnings in the account grow tax-free
- No expiration date so money is available for future health expenses
- Withdrawals for medical related expenses are tax-free
- Ability to implement investment options for long-term potential growth
- Many 401(k) providers offering these services and matching investment lineup
- Contribution limits:
 - 2024: \$4,150 for individuals and \$8,300 for family
 - 2025: \$4,300 for individuals and \$8,600 for family
 - \$1,000 catch-up for those over Age 55 and not enrolled in Medicare



Managing Financial Stress

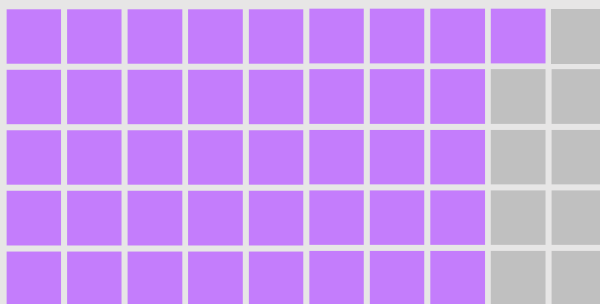
Financially healthier employees are likely to be happier and more productive.

8 in 10

worry about their finances at work

3.3 hours

is the average time spent on finances at work each month



82% say financial wellness helps reduce financial stress

78% are **more loyal** to an employer who offers financial wellness

70% say access to financial wellness resources **increases productivity**



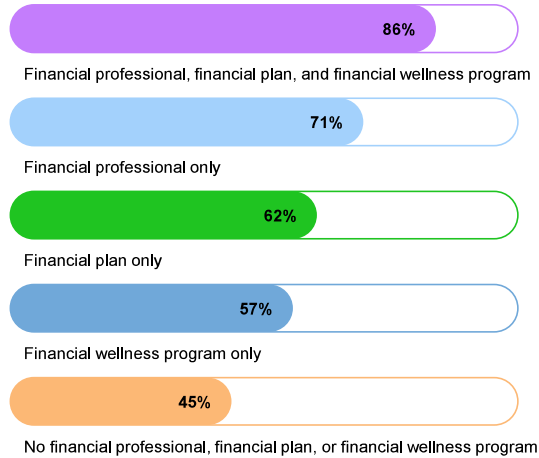
How to Build Financial Confidence

Primary drivers of financial confidence:*

- Work with a financial professional
- Have a financial plan
- Access to workplace financial wellness program
- Unbiased financial advice on a wide range of topics**

Individuals who work with a financial professional are **3x more likely** to report ahead-of-schedule retirement savings.*

Employees feel most confident when they have access to all.*



*John Hancock, "Financial Stress Survey," 2023.

**Harvard Business Review, "It's Time to Prioritize Employees' Financial Health," 2 Jan. 2024.



29

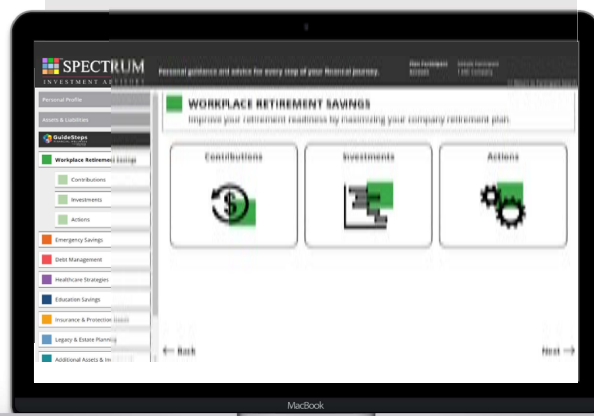
Spectrum's Financial Wellness Program



Our holistic program offers fiduciary advice on a wide range of topics, custom action plans, and dynamic resources.

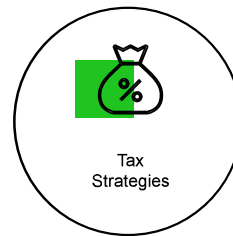
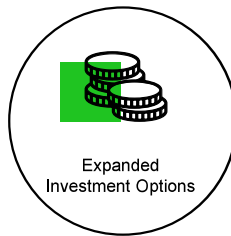
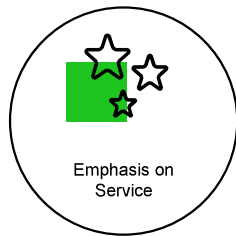
- Workplace Retirement Plan
- Emergency Savings
- Debt Management
- Healthcare Strategies
- Education Savings
- Insurance & Protection Needs
- Legacy & Estate Planning
- Additional Assets & Investments

Spectrum's own proprietary technology was built to maximize communication and track progress



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Retirement Plan Trends



- Service – Shift from cost-driven decisions to seeking expertise and quality services
- SECURE 2.0 – New provisions for plan sponsors to consider and adapt
- Expanded Investments – CITs, guaranteed income products
- Integration of Health & Wealth – Tax benefit and investment opportunity for Health Savings Accounts
- Financial Wellness – Employees value guidance and access to financial planning



Q&A

Manuel Rosado, MBA
President | Partner
mrosado@spectruminvestor.com
262-238-4010
www.spectruminvestor.com

Additional information

Guiding Principles



We are Understanding

By involving and connecting with clients, partners, and colleagues at a deeper level



We Are Engaging

By delivering a fulfilling experience and thinking more like a partner than a provider



We are Passionate

By approaching daily work with energy and enthusiasm to make a positive impact in people's lives



We Act With Integrity

By putting clients first and being guided by strong ethical principles



We Are Accountable

By acting as a fiduciary, leading by example, keeping everyone informed, delivering results, and embracing growth



We Live Balanced Lives

By being fully present at work and at home



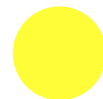
We Function as a Team

By collaborating, trusting each other, and helping others succeed to achieve more



We Give Back

By getting involved in our community and making it a better place to live and work



We Celebrate

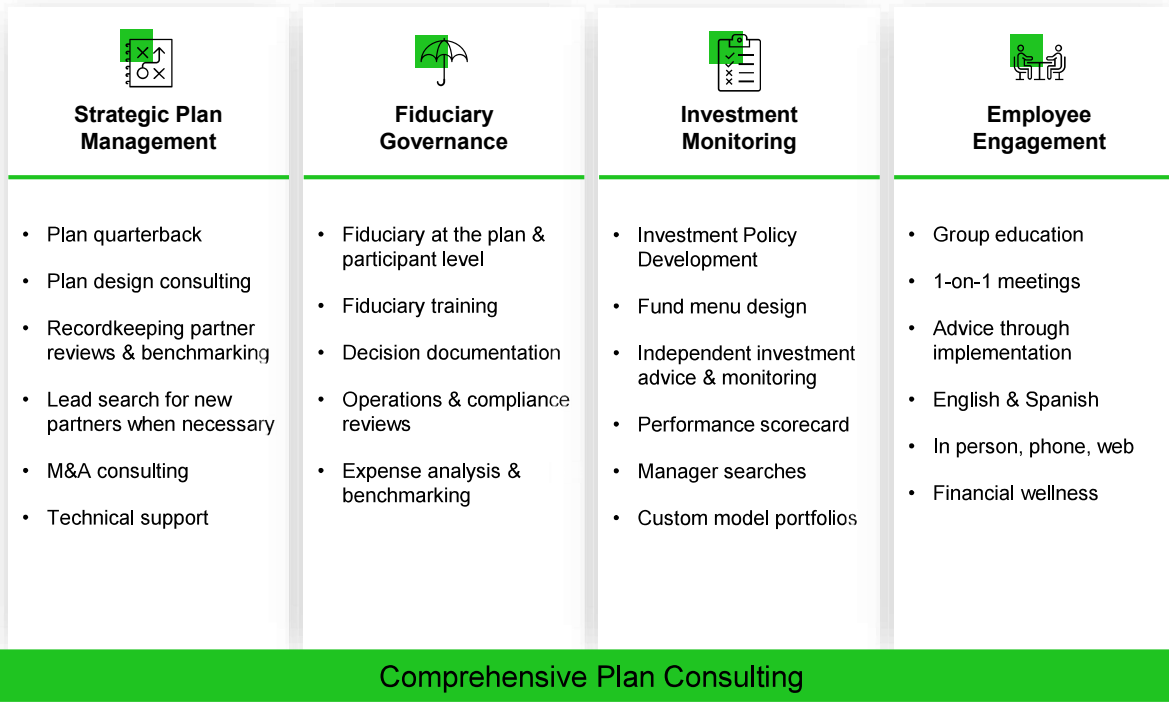
By enjoying the ride, honoring accomplishments, and letting happiness shine through



We Think Long-Term

By stewarding resources and making thoughtful decisions that will benefit future generations

Meeting Your Needs



35

Exceeding Expectations

Why Work With an Advisor?

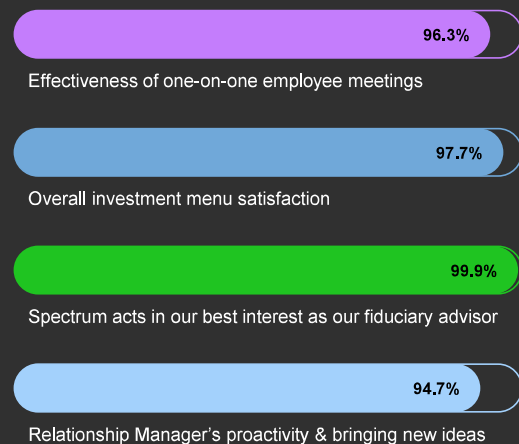
A national survey* annually assesses what plan sponsors are looking for in an advisor.

The top 4 reasons include:

- Financial Wellness & Employee Engagement
- Investment Menu Insights
- Compliance & Regulatory Updates
- Proactive Plan Performance Suggestions

2024 Spectrum Client Survey

We asked our clients to rank their satisfaction in those key areas:



* Plan Sponsor Attitudes Survey, 2023 & 2022.

The survey results presented above were provided by current clients of Spectrum Investment Advisors. All clients were invited to voluntarily participate in a satisfaction survey; however, no cash or non-cash compensation was provided in exchange for their participation. The results presented may not reflect the sentiments of all clients, and we encourage you to independently evaluate our services based on additional criteria that you deem appropriate.



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SECURE Act 2.0

Effective 2023

Non-Elective Provisions:

Required Minimum Distributions

Individuals can wait until age 73 (previously 72) to take a mandatory retirement savings withdrawal. Starting 2023, the RMD age is increased to 75 years old.

Required Minimum Distribution Excise Tax Reduction

Missed RMD penalty is reduced from 50% to 25% and if the failure is corrected in a timely manner, the penalty is reduced to 10%.

Tax Credits for New Plans

For new retirement plans, companies with up to 50 employees can claim up to 100% of the start-up administration costs (max \$5,000) for 3 years. Plans up to 100 employees, 100% tax credit for employer contributions up to \$1k per employee making <\$100k for 1 year then phased out by 25% over the next 3 years.

Expand Self-Correction Program

Allows for easier plan corrections of loans through the Employee Plans Compliance Resolution System ("EPCRS").

Unnecessary Notices

Employers are no longer required to provide certain intermittent ERISA or Code notices to unenrolled participants provided they send an annual reminder notice of the employee's eligibility and any otherwise required documents requested by the employee.

IRA Charitable Distributions (known as QCDs)

The IRA charitable distribution provision is expanded to allow for one-time \$50,000 distributions to charities. Annual IRA charitable distribution limit of \$100,000 is now indexed for inflation.

PEPs – 403(b)

Are now available.

Elective Provisions:

Small Incentive for Contribution to a Plan

Employers can now offer low-dollar amount incentives, such as gift cards, as long as they are not paid from plan assets.

Roth Employer Contributions

Employers may now choose to allow matching or nonelective contributions as Roth contributions. Applicable only to vested contributions. Additional guidance expected for tax implications.

Military Spouses

Creates a new, nonrefundable income tax credit for eligible small employers that employ military spouses and allow them to participate in the employer's defined contribution plan, subject to special eligibility and vesting requirements. The tax credit is \$200 per participating non-highly compensated military spouse plus 100% of employer contributions, up to an additional \$300 per employee, for up to three years.

Hardship Distributions – Self Certify

Allows a plan administrator to rely on an employee's self-certification that they have had a safe harbor event that constitutes a deemed hardship for purposes of taking a hardship withdrawal from a 401(k) plan or a 403(b) plan. The administrator can also rely on the employee's certification that the distribution is not in excess of the amount required to satisfy the financial need and that the employee has no alternative means reasonably available to satisfy the financial need.

Hardship Distributions – 403(b) Plans

May now include employer contributions.

Penalty-Free Withdrawals: Terminal Illness

Terminally ill individuals may withdraw retirement funds without being subject to the 10% early distribution tax penalty.

Penalty-Free Withdrawals: Federally Declared Disasters

Up to \$22,000 withdrawal for affected individuals and are not subject to the 10% early distribution tax penalty. (Retroactively effective to January 26, 2021.)



Source: Secure Act 2.0

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SECURE Act 2.0

Effective 2024

Non-Elective Provisions:

Required Minimum Distributions for Roth Accounts

Roth accounts within 401(k) plans, 403(b) plans and 457 plans are no longer subject to required minimum distribution (RMD) rules.

Retirement Lost and Found

Directs the DOL to create an online searchable "Lost and Found" database to collect information on benefits owed to missing, lost or non-responsive participants and beneficiaries in tax-qualified retirement plans and to assist such plan participants and beneficiaries in locating those benefits.

Starter 401(k) Plans – A new type of 401(k) Plan

Creates two new plan designs for employers that do not sponsor a retirement plan: a "starter 401(k) deferral-only arrangement" and a "safe harbor 403(b) plan." These plans would generally require that all employees be enrolled in the plan with a deferral rate of 3% to 15% of compensation. The limit on annual deferrals would be the same as the IRA contribution limit (\$6,000 for 2022, with an additional \$1,000 catch-up beginning at age 50). The limit on annual deferrals is \$6,000, with an additional \$1,000 catch-up beginning at age 50, with both limits indexed for inflation.

529 Rollovers

Allows certain assets in a 529 qualified tuition program account maintained for at least 15 years for a designated beneficiary to be directly rolled over on a tax-free basis to a Roth IRA maintained for the benefit of the beneficiary. The rollover is subject to the limits on Roth IRA contributions and the requirement that a Roth IRA owner have includible compensation at least equal to the amount of the rollover. Permitted rollovers would be limited to (1) the aggregate amount of contributions to the account (and earnings thereon) before the 5-year period ending on the date of rollover, and (2) a lifetime limit of \$35,000.

Elective Provisions:

Force-Out Distribution Threshold

Increase force out limit from \$5,000 to \$7,000

Matching Student Loans

Option to apply the matching formula to the student loan repayment amount and deposit the match into the workplace retirement savings plan.

Automatic Portability

Permits retirement plan service providers to offer plan sponsors automatic portability services, transferring an employee's low balance retirement accounts to a new plan when they change jobs.

Pension Linked ("Side Car") Emergency Savings Account (PLESAs)

Permits a plan sponsor to amend its plan to offer short-term emergency savings accounts ("ESAs") as part of a defined contribution plan. ESAs must be funded post-tax with Roth contributions, and participants may be automatically enrolled at a rate of up to 3% of compensation. Contributions are capped at \$2500 (indexed for inflation) or a lower amount determined by the sponsor, and there cannot be minimum contribution or balance requirements. Participants must be allowed to take at least one withdrawal per month, and the first four withdrawals per year cannot be subject to fees. ESAs may be invested in cash, interest bearing deposit accounts, and principal preservation accounts, and there is a fiduciary safe harbor for automatic enrollment. The provision provides for the preemption of state anti-garnishment laws.

Emergency Withdrawals

Allows one penalty-free withdrawal of up to \$1,000 per year for "unforeseeable or immediate financial needs relating to personal or family emergency expenses." The withdrawal may be repaid within three years. Only one withdrawal per three-year repayment period is permitted if the first withdrawal has not been repaid.

Penalty-Free Withdrawals for Victims of Domestic Abuse

Domestic abuse survivors may withdraw the lesser of \$10,000 or 50% of their vested retirement account.



Source: Secure Act 2.0

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SECURE Act 2.0

Effective 2025 & Beyond

Non-Elective Provisions (2025):

Improving Retirement Plan Access for Part-Time Workers (2025)

Long-term, part-time employees who meet the eligibility requirements will be allowed to save through the company's retirement plan. The stated eligibility rules are for employees who work for two consecutive 12-month periods during each of which they have at least 500 hours of service. Employers are not required to match contributions.

New Plans: Automatic Enrollment and Escalation (2025)

All new 401(k) and 403(b) plans implemented after 1/1/23 are required to automatically enroll participants and auto-escalate savings. The employer will set the introductory deferral amount between 3 – 10% and the deferral amount increases by 1% up to 10 – 15% retirement savings per year.

Catch-Up Contributions (2025)

Employees between the ages 60 - 63 years will be allowed to increase their catch-up contribution to the greater of 150% of the normal catch-up amount or \$10,000 in 401(k), 403(b), and governmental plans. For individuals who make more than \$145,000, the catch-up must be a Roth contribution.

Non-Elective Provisions (2026 & 2027):

Plan Amendments (2026)

Plan amendments made pursuant to this Act may be made on or before the last day of the first plan year beginning on or after January 1, 2025. (For calendar year plans, that deadline is 12/31/25.) In addition, amendments under SECURE Act, CARES Act, and Taxpayer Certainty and Disaster Tax Relief Act of 2020 conform to these new dates.

Paper Statement Mandate (2026)

For defined contribution plans-401(k) and 403(b)-must provide at least one paper statement/year unless participant opts out.

Catch-Up Contributions must be Roth for certain savers (2026)

For participants over age 50 earning more than \$145,000, catch-up contributions need to be made as Roth contribution.

Enhance and Promote Saver's Match (2027)

Modifies the existing Saver's Credit to make it refundable and turns it into a direct government matching contribution to the taxpayer's IRA or eligible retirement plan. Enhances and simplifies the Saver's Credit by creating one credit percentage (with no tiers) of 50% for all savers below the AGI threshold (\$41,000 for joint filers), at which point the credit phases out. The credit is treated as a pre-tax contribution to the recipient's plan or IRA, meaning it will be taxable when distributed.



Source: Secure Act 2.0

12:55 – 1:55 p.m.

Navigating the Future of Benefits Insurance: Trends, Strategies & Solutions

Martin Pepe, CLMS, *Client Executive, M3 Insurance*

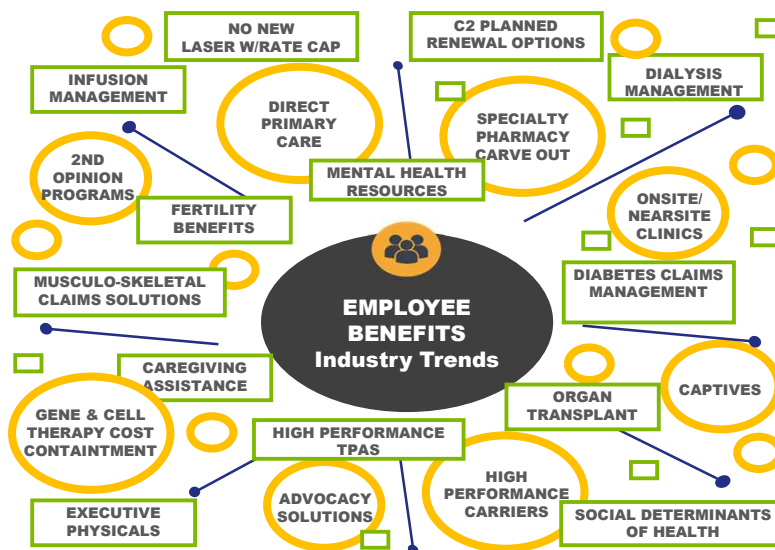
yes and

world-class expertise + individual attention

Empowering Companies with an Innovative Benefits Strategy: Pharmacy Solutions & Health Captives



Industry Trends



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Employee Benefits Captive Solution

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CONTROLLING
BENEFIT COSTS

What Can You Do in Today's Market?



Shift cost to
employees



Absorb cost



Reduce benefits

Average Annual Health Benefit Cost
(Per Employee)



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BENEFIT CAPTIVES

Reasons to Consider a Benefits Captive

- Growing cost of risk + cost of specialty RX
- Recession
- Inflation Period
- Hard market increases trend
- Adjusted underwriting experience
- Uncertain environment

UNJUSTIFIED INCREASES

TOO SMALL TO SELF-FUND

LACK OF OPTIONS

IMPACT OF AFFORDABLE CARE ACT

LITTLE (OR NO) CLAIMS INFO

COVID-19 PANDEMIC

LITTLE CONTROL

LACK OF TRANSPARENCY

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Your Options

	FULLY INSURED	SELF-FUNDING	CAPTIVE
Available for Smaller Employers	✓	✓	✓
Plan Design Flexibility	-	✓	✓
Claims Information	-	✓	✓
Reward for Performance	-	✓	✓
Manageable Risk Level	-	-	✓
Pricing Stability	-	-	✓
Group Purchasing Power	-	-	✓
Outcome Based Wellness	-	-	✓
Peer Group Support & Sharing	-	-	✓

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What is a benefits captive?

A group of companies that come together to form their own insurance company.



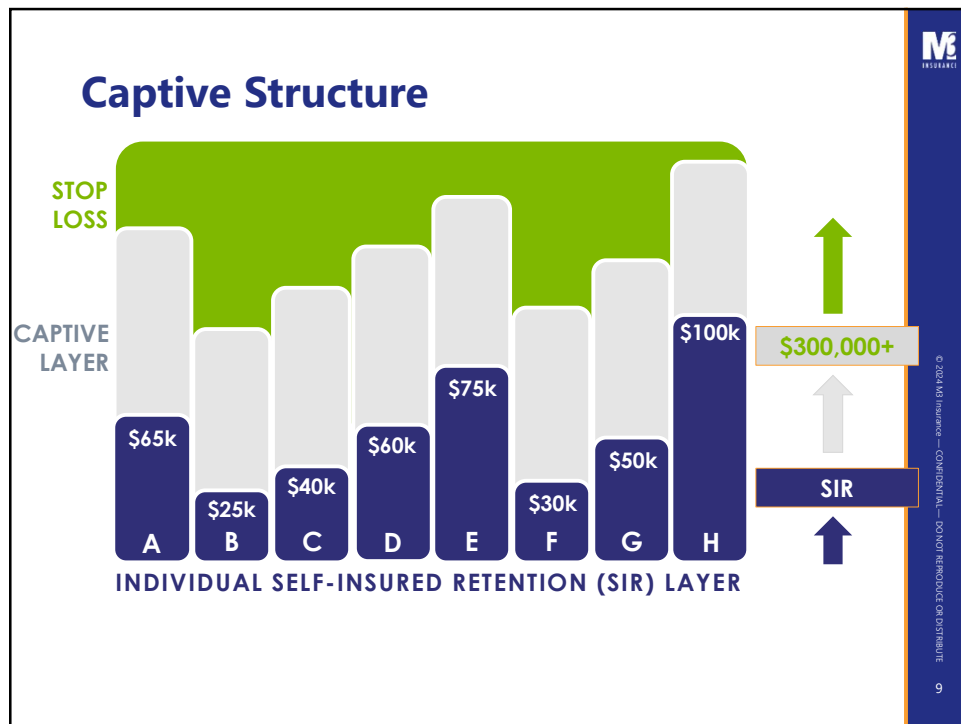
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Consider a Benefits Captive if you:

- Have any number of covered employees on your plan
- Desire more cost control
- Have an entrepreneurial spirit
- Care about your employees' health
- Understand "risk for reward"



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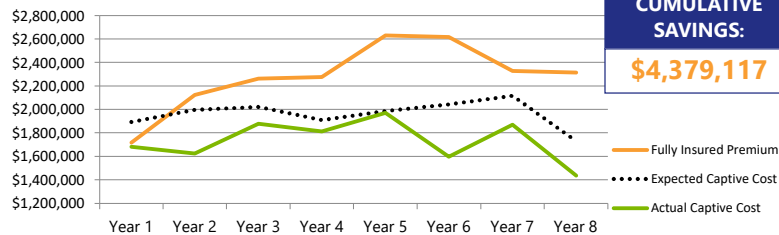


Member Case Study

Fully Insured vs. Captive

EQUIPMENT SUPPLIER WITH 200 ENROLLED EMPLOYEES AT MULTIPLE LOCATIONS THROUGHOUT THE U.S.

PLAN YEAR	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
FULLY INSURED PREM.	\$1,719,256	\$2,123,959	\$2,260,560	\$2,276,649	\$2,630,812	\$2,616,622	\$2,326,755	\$2,314,248
EXPECTED CAPTIVE COST	\$1,894,348	\$1,996,077	\$2,021,104	\$1,910,651	\$1,986,702	\$2,044,266	\$2,116,730	\$1,730,528
ACTUAL CAPTIVE COST	\$1,680,351	\$1,624,832	\$1,878,304	\$1,810,894	\$1,971,858	\$1,598,044	\$1,869,028	\$1,438,265
SAVINGS	\$38,904	\$499,127	\$382,256	\$465,755	\$658,953	\$1,018,413	\$457,727	\$875,982



Source:

INNOVATIVE CAPTIVE STRATEGIES



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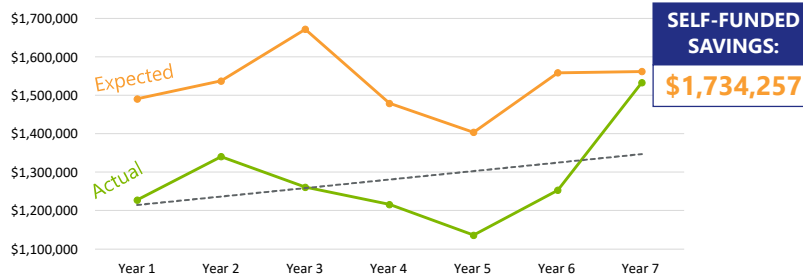
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Member Case Study

Self-Funded Savings

OREGON-BASED ROCK & CONCRETE COMPANY WITH A NORMALIZED ANNUAL ENROLLMENT OF 95 COVERED EMPLOYEES.

PLAN YEAR	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
EXPECTED CAPTIVE SPEND	\$1,490,669	\$1,536,874	\$1,671,505	\$1,478,658	\$1,403,434	\$1,558,495	\$1,561,765
ACTUAL CAPTIVE SPEND	\$1,227,528	\$1,340,269	\$1,260,834	\$1,216,148	\$1,136,354	\$1,252,892	\$1,533,118
SAVINGS BELOW EXPECTED	\$263,141	\$196,606	\$410,671	\$262,510	\$267,080	\$305,603	\$28,646



Source:

INNOVATIVE CAPTIVE STRATEGIES



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Our Captive Solutions:

INNOVATIVE
CAPTIVE
STRATEGIES



CAPTIVERESOURCES

BLACKWELL
CAPTIVE SOLUTIONS



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Consider a Captive for...

- ✓ Decisions based on data
- ✓ Ability to address cost drivers
- ✓ Budget stability



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Take-Aways + Next Steps



The Right Players

Evaluating & ultimately moving to a captive involves many key stakeholders: HR, CFO, CEO, etc.



The Right Perspective

We not only understand, but feel it is important to evaluate a move like this from many angles.



The Right Pieces

We have a proven process, with models, materials, and resources to help you navigate this.

M3 looks forward to partnering with you on this as an advisor, guide & subject matter expert.



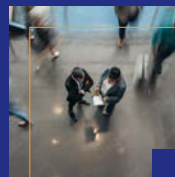
Jason Nordby

Director of Employee Benefits Captive Practice; Partner

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Renalogic Case Studies

ImpactProtect & ImpactCare

RENALOGIC RPT PROGRESS LON LTD — RENALOGIC RPT — RENALOGIC RPT — RENALOGIC RPT



A Recipe for Savings in Culinary Services

Client Background

A **small culinary services company** with 154 covered lives faced **escalating dialysis claims costs**, straining its lean cash flow.



Renalogic.com

Challenge

Navigating advanced stop-loss funding, proved especially daunting for this financially constrained culinary services company. With limited resources and a low stop-loss deductible, **they sought a solution to reduce costs** while managing these complexities.

Solution

The small company sought proven ways to save millions of dollars in medical spend. After looking at alternatives, they partnered with Renalogic to protect **their plan assets and members with ImpactProtect**.

Renalogic's team of experts performed an **extensive analysis of the dialysis claims, the carriers and stop loss intricacies involved**.

Results

In just one year, **ImpactProtect** significantly decreased the dialysis claims and delivered over **\$2M net savings**, reducing billed charges from **\$2.2M to just a \$83K**. Renalogic also successfully filed advanced-funding claims with their stop-loss carrier to ensure the company was never at risk of facing healthcare expenses beyond their means.

\$2.2M
Billed Charges

96%
Reduction off
Billed Charges

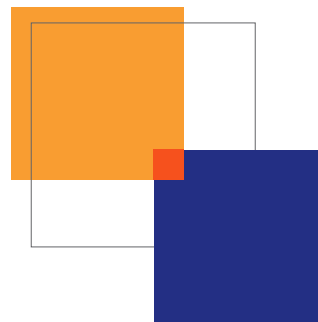
\$2.1M
Net Savings

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Regenex™
The Trusted Alternative
to Orthopedic Surgery



Transforming MSK Care In Self-Funded Plans

WWW.REGENEXXCORPORATE.COM

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Investment advisory services offered through Global Retirement Partners, LLC, dba M3 Financial, an SEC registered investment advisor.



Scorecard – 2023 1H



Avoided 32 surgeries that would have cost the plan \$753k with \$285k in Regenexx procedures

How do we estimate savings?

• Patients referred to conservative care	29
• Member consultations	82
• Savings	62%

“I was able to avoid a spinal fusion that would have cost well over 100k. I’m grateful Allegis added this benefit because I otherwise wouldn’t have known I had an option.”

-Allegis Employee

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Gene and Cell Therapy

- **Gene therapy** modifies the genome of a cell through a ‘viral vector’ and can treat, modify, reverse or cure a life-threatening disease.
- Unlike gene therapy, **cell therapy** works as targeted cells are removed from the patient and altered before readministered to the patient. The cells are enhanced in a lab and returned to the patient as functioning cells.

GENE THERAPY

Vector introduced with functional gene



Current State:
Living cell with broken gene



New gene introduced



End State:
Cell function restored



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Ethica Pharmacy Advisors

A M3 CONNECT COMPANY

Rx Trends + Statistics

More than

1 in 4

adults taking prescription drugs report difficulty affording their medication.

Average Annual Cost of a Specialty Drug

\$84,000

\$4.25m

per Lenmeldy dose
The most expensive medication in the U.S.

Pharmacy Trend Increases

6%-10%

Utilization:

6+ %

910 Branded drugs had price increases in January 2024 averaging +4.7%

\$14.50

PMPM or 5% of an entire drug spend budget

The impact of GLP-1s on overall pharmacy costs.

86%+ Generic Dispensing Rate

PBM Landscape: In The News

FTC Staff Report

- Addressing the Powerful Middlemen Inflating Drug Costs

House Committee

- The role of PBMs in the Prescription Drug Market

New York Times

- How PBMs are Driving Up Prescription Benefit Costs

WSJ

- Mail Order Should be Cost Effective
- CarelonRx Mail Order



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House Committee Report

Key points from the article:

1. Anti-Competitive Practices:

- The report details how the largest PBMs leverage their market dominance to enforce policies that stifle competition. This includes **steering patients** towards pharmacies they own, thereby limiting patient choice and **increasing overall healthcare costs**.

2. Impact on Drug Costs:

- It was revealed that the practices of these PBMs have significantly driven up the cost of prescription drugs. This is largely due to opaque pricing mechanisms, such as **spread pricing**, where PBMs charge payers more than they reimburse pharmacies and pocket the difference.

3. Patient Care:

- The report highlights the detrimental effects on patient care, including **delayed access to essential medications** due to prior authorization requirements and formulary restrictions. These practices not only compromise patient health but also lead to increased out-of-pocket expenses.

4. Lack of Transparency:

- One of the core issues identified is the **lack of transparency** in PBM operations. The report calls for increased transparency to ensure that savings from negotiated discounts and rebates are passed on to patients and payers, rather than being retained as profit by PBMs.

5. Regulatory and Legislative Recommendations:

- The article discusses the **need for federal and state-level reforms** to address these issues. Recommendations include banning anti-competitive practices, ensuring fair reimbursement for pharmacies, and mandating transparent reporting of all fees and rebates.



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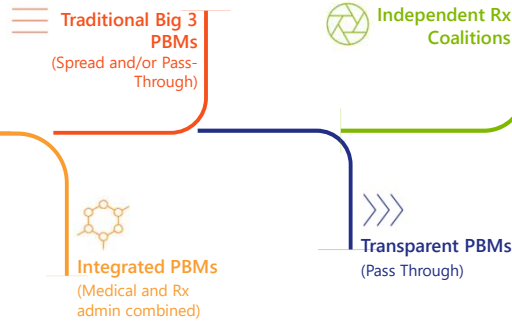
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PBM Landscape by Contracting Methodologies

Over **100 entities in the U.S.** play in this space.
(PBMs, PBAs, TPAs, Carriers)

Important that Plan Sponsors understand the differentiators among the vendor space and align with the best partner for them

State legislation may dictate the type of contract



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PBM RFP Executive Summary

Financial Parameter (Guaranteed Pricing)	Incumbent PBM	PBM Bidder A	PBM Bidder B
Gross Drug Cost	\$6,399,948	\$5,988,626	\$5,857,048
Admin/Implementation Fees	\$0	\$164,821	\$10,000
Rebates	(\$2,481,634)	(\$2,621,450)	(\$2,805,127)
Total Rx Spend	\$3,918,314	\$3,531,997	\$3,061,921
Total \$ Savings from Current	--	(\$386,317)	(\$856,393)
Total % Savings from Current	--	-9.8%	-21.9%

Qualitative Considerations for ABC Company (Estimated Savings)	PBM Bidder A	PBM Bidder B
Clinical Savings (PA, QL and SCEs)	\$725,808	\$341,684
Copay Assistance for Specialty Medications* (\$)	\$345,000	\$285,789
Estimated Savings	\$1,070,808	\$627,473

* Copay assistance programs vary widely, along with Pharma's ability to remove assistance at any time.
Estimated savings are not guaranteed. Estimates are consistent with 'non-needs' based assistance for the purposes of comparison.

	Incumbent PBM	PBM Bidder A	PBM Bidder B
Total Net Rx Spend *	\$3,918,314	\$2,461,189	\$2,434,448
Total \$ Savings from Current	--	(\$1,457,125)	(\$1,483,866)
Total % Savings from Current	--	-37.2%	-37.9%

* Assumes 100% Participation in Qualitative Programs



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Impact of Specialty Drugs

SPEND

50% to 60%

Specialty drug costs represent **more than half** of total pharmacy spend.

TRAJECTORY

2/3 of new drugs launches

Specialty Drugs will represent at least 2/3 of new drug launches through the next 5 years.

GROWTH

8%

Growth is anticipated to be 8% per year through 2025.

COST

\$84,000/year

The average cost of a specialty drug annually is approximately \$84,000.

Defining Specialty Drugs:

- Biologic in origin and produced using recombinant technology
- Usually injected but oral therapy becoming more available
- Intensive clinical monitoring often needed (weight-based dosing)
- Special handling and supplies may be required, along with administration training

Specialty Drug Management Waterfall

SPECIALTY DRUG ACCESS	CONTRACTING	CLINICAL MANAGEMENT
<ol style="list-style-type: none"> 1. Open Formulary 2. Preferred/Exclusive Channel 3. Site of Care Steerage 4. Medical Channel Strategy 5. Direct Contracting via COEs such as HTCs 6. Carve-out to Specialty Drug PBM 7. Reimportation from outside the US* 8. Exclude Specialty Drugs from Benefit to Maximize Copay Assistance* 	<ol style="list-style-type: none"> 1. Spread Pricing versus Pass-Through versus Acquisition Cost + 2. Drug Discount versus OED versus Specialty Generic/Brand Discount Guarantees 3. True Accumulation Programs 4. Copay Assistance or Variable Copay Programs 5. Stop Loss 6. Reclaiming Medications* 	<ol style="list-style-type: none"> 1. Day Supply Limits 2. Prior Authorization (PBM) 3. Prior Authorization (Carve-out) 4. Specialty Drug Formulary 5. Biosimilar Strategy 6. Clinical Effectiveness Research/ICER 7. Specialty Drug Adherence and Coordination 8. Case Management

* May present a compliance risk. Suggest Plan's internal or external legal counsel review each program prior to implementation of benefit consideration

Rx Management Considerations

Consider approaching Rx management from two perspectives: Diabetes versus Weight Loss

Revisit the organization's philosophy on overall well-being, healthy living and weight loss

1. Do you have a well being vendor partner today?
2. Do you cover bariatric or gastric bypass surgery?
3. Do you cover anorexians under the drug benefit?
4. Have you considered discounts on healthy meal choices/delivery or Weight Watchers-type programs
5. Do you provide discounts on local fitness centers or provide onsite facilities?

Cost

- Average monthly cost of a GLP-1 medication is \$1,000 (average range of \$900-\$1,300)

Getting to Know GLP-1 Agonists

GLP-1 agonists work by triggering insulin release and reducing glucose production in the liver (making a person feel 'full')

Drug Name	Indication	Dosing	Dosage Form	Other Uses
Bydureon	Type 2 Diabetes	Weekly	Injection	Weight Loss
Byetta	Type 2 Diabetes	2x Daily	Injection	Weight Loss
Mounjaro	Type 2 Diabetes	Weekly	Injection	Weight Loss
Ozempic	Type 2 Diabetes	Weekly	Injection	Weight Loss, Other
Rybelsus	Type 2 Diabetes	Daily	Tablet	Weight Loss
Saxenda	Weight Loss	Daily	Injection	N/A
Trulicity	Type 2 Diabetes	Weekly	Injection	Weight Loss, Other
Victoza	Type 2 Diabetes	Daily	Injection	Weight Loss, Other
Wegovy	Weight Loss	Weekly	Injection	N/A
Zepbound	Weight Loss	Weekly	Injection	N/A

Considerations for Coverage

Whether you cover GLP-1s for Type 2 Diabetes or weight loss, it is important to note that the most effective management of both also includes:

- Living a healthy lifestyle
- Diet modifications
- Exercise

Sample Prior Authorization for Diabetes

- Confirmed Type 2 diabetes diagnosis
- Clinical markers like HbA1c
- Use or failure of first line therapies such as Metformin
- Use of clinical edits (quantity limits, step care edits)

Sample Prior Authorization for Weight Loss

- Confirmed body mass index threshold met
- Confirmed failure on diet and exercise
- Inability to lose sufficient weight for improvements in health
- Use of clinical edits (quantity limits, step care edits)
- Continuous enrollment in behavioral modification program
- Duration checks regarding success



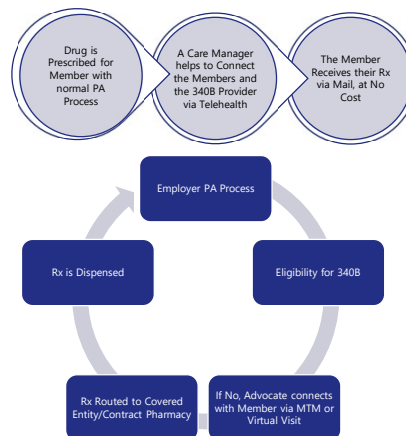
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1

340B

- Section **340B** of the Public Health Service Act requires pharmaceutical manufacturers participating in Medicaid to sell outpatient drugs at discounted prices to health care organizations that care for many uninsured and low-income patients (Covered Entity)

Example for Maximizing 340B



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Questions?
Thank you.

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2:15 – 3:15 p.m.

Beyond Boundaries: The Art of Comfort Zone Expansion

Dave Molenda, TDC, TDFC, TEQC, Owner, Positive Polarity LLC



Wisconsin Institute of
Certified Public Accountants

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1

A little about me!



Listen Score

36

TOP 2.5%

🔍 LISTEN NOTES

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GROWING ON PURPOSE

The Formula to
Strengthen Your Team
AND
Improve Your Customer
Experience



a positive polarity book
by **Dave Molenda**

with Reji Laberje

www.PositivePolarity.com

2

The comfort zone is a behavioral state within which a person operates in an “*anxiety-neutral*” condition, using a limited set of behaviors to deliver a *steady level of performance*, usually *without* a sense of *risk*.



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3



4

Fear of flying afflicts as much as **40 percent** of the U.S. population.

Only about **5 percent** of Americans have aviophobia so severe that they cannot fly.



5



6



7



8



9



10

Does this energize you, or panic you?

Imagine that your boss walks into your office and says, "The company is doing some restructuring and, starting next week, you're going to report to someone new."



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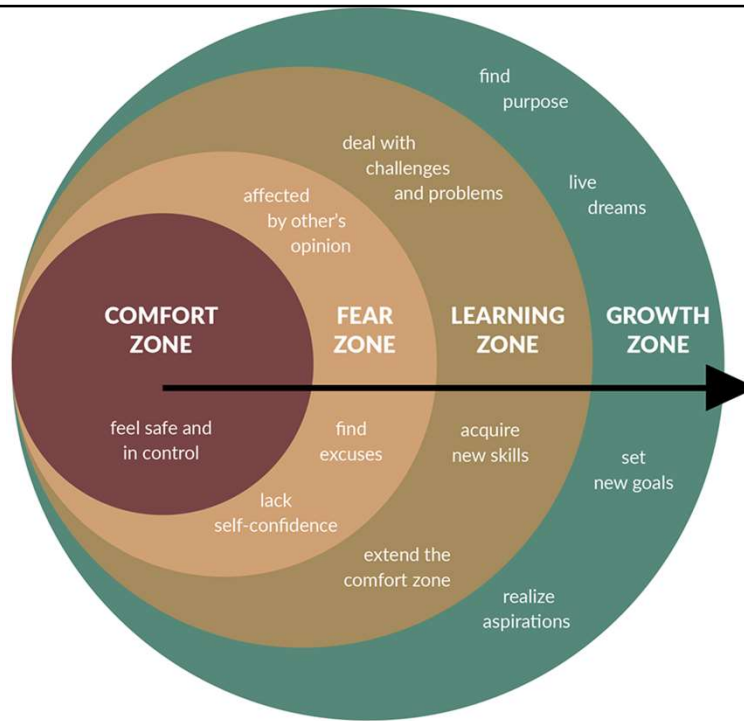
11

Which one are you?

Some people look at that situation optimistically and think, "That's great, I can't wait to see what new opportunities are available!" Others, however, look at that same exact statement from the boss and immediately experience fear and dread. They may think, "Oh great, now my career progress is going to stop."

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13

Which half are you in right now?

Over half of us don't venture outside of our comfort zones and almost half (45%) fear that one day we might live to regret it, according to new research...



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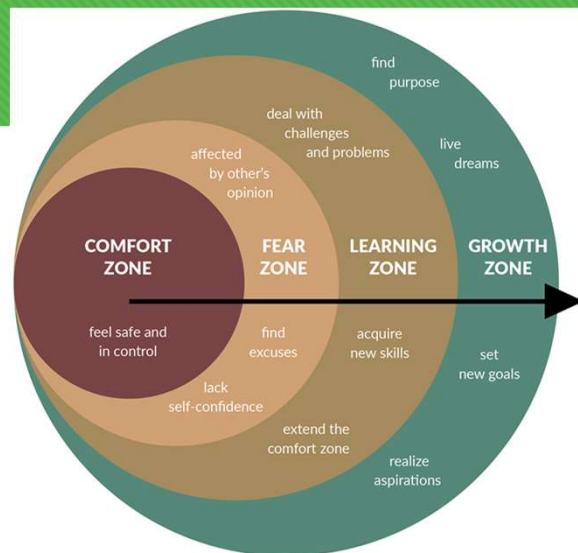
All growth starts at the
end of your comfort zone.

Tony Robbins

quoteofancy

Let's do this!

Take 1 minute right
now to write down
1-2 things that are
outside your
comfort zone that
you would love to
attempt...



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16

Time to get out of **your** comfort zone!

Do one thing that
scares you every day.

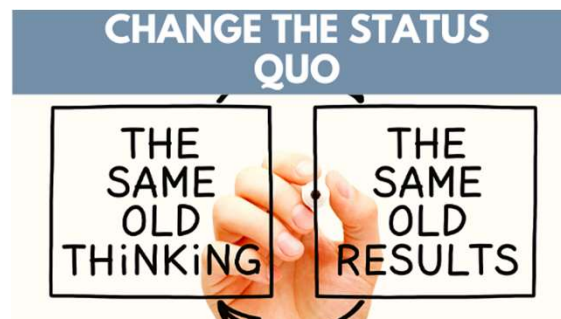
ELEANOR ROOSEVELT ▲

Time to try it...
share with us one
thing that you
wrote down...



17

It starts in our thoughts!



18

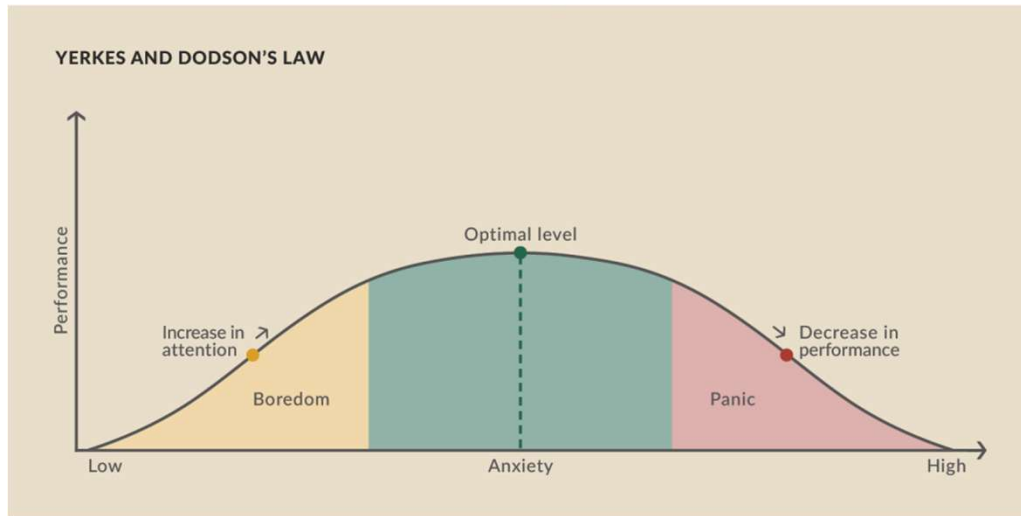
Your brain's main goal is **self-preservation!**

Your brain just wants to keep you **alive** and **comfortable**, ideally while saving energy. It doesn't care about anything else nearly as much. That explains why you'll find it such a challenge to stab yourself in the eye or run in front of a moving bus.

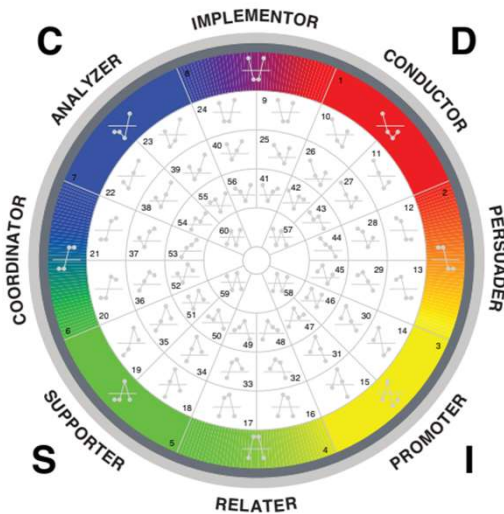


Makes perfect sense!

It's also a reasonable explanation of why **trying new things scares us**. We have no reference of what will happen when we try something new, so our brain has no idea if it's safe. Could it be a risk to your physical health? Could someone try and hurt you? The brain doesn't know, so it sends your physical body into **panic mode**, also known as 'fight or flight' mode.



**TTI SUCCESS INSIGHTS
WHEEL' APPLICATIONS**



Did you know that
your **personality**
also plays a part in
how easy and often
you jump outside of
your comfort zone?

C Compliance

When communicating with a person who is dependent, neat, conservative, perfectionist, careful, and compliant:

- ✓ Prepare your "case" in advance.
- ✓ Stick to business.
- ✓ Be accurate and realistic.
- ✗ Being giddy, casual, informal, or loud.
- ✗ Pushing too hard or being unrealistic with deadlines.
- ✗ Being disorganized or messy.

D Dominance

When communicating with a person who is ambitious, forceful, decisive, strong-willed, independent, and goal-oriented:

- ✓ Be clear, specific, brief, and to the point.
- ✓ Stick to business.
- ✓ Be prepared with support material in a well-organized "package."
- ✗ Talking about things that are not relevant to the issue.
- ✗ Leaving loopholes or cloudy issues.
- ✗ Appearing disorganized.

S Steadiness

When communicating with a person who is patient, predictable, reliable, steady, relaxed, and modest:

- ✓ Begin with a personal comment—break the ice.
- ✓ Present your case softly, non-threateningly.
- ✓ Ask "how?" questions to draw their opinions.
- ✗ Rushing headlong into business.
- ✗ Being domineering or demanding.
- ✗ Forcing them to respond quickly to your objectives.

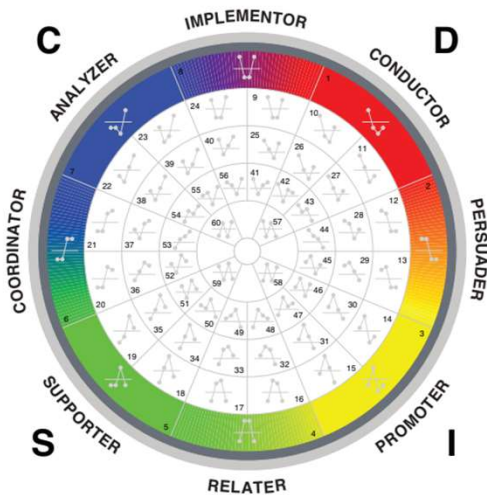
I Influence

When communicating with a person who is magnetic, enthusiastic, friendly, demonstrative, and political:

- ✓ Provide a warm and friendly environment.
- ✓ Don't deal with a lot of details (put them in writing).
- ✓ Ask "feeling" questions to draw their opinions or comments.
- ✗ Being curt, cold, or tight-lipped.
- ✗ Controlling the conversation.
- ✗ Driving on facts and figures or alternatives and abstractions.

23

TTI SUCCESS INSIGHTS WHEEL APPLICATIONS



Want to know where you appear on this wheel?



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Life begins at the end of your comfort zone so do one thing every day that scares you.



Zones of Growth: Strategies to Get Out of Your Comfort Zone

- 1. Put Yourself in New Environments/Explore**
- 2. Commit to a Challenge**
- 3. Change Your Perspective on Failure**
- 4. Get an Accountability Friend**
- 5. Take Baby Steps**
- 6. Write Down Your Goals**



Our comfort zones can be our
greatest enemy to our potential.

David Cottrell

quoteancy

Benefits of getting out of your comfort zone

It increases your productivity. When you decide to take on a new challenge or try a different approach to something familiar, you can create conditions for **improving productivity**. This may help you may get a better understanding of your true potential, feel **confident** in handling more responsibilities and **deliver better results**.

Benefits of getting out of your comfort zone

It improves your ability to adapt. New experiences can help you become better at dealing with the **unfamiliar**. You may stay composed and focused when a new challenge presents itself and **improve your decision-making** abilities in these situations.



29

Benefits of getting out of your comfort zone

It promotes growth. Regardless of the outcome, you may **expand your experience, knowledge and skills** when you leave your comfort zone. This can lead to professional and personal growth.



30



Move out of your comfort zone. You can only grow if you are willing to feel awkward and uncomfortable when you try something new.

Brian Tracy

quote fancy

Thank you for attending!

Thank You!

If you want to get ahold of me for:

1. A copy of the slides
2. A discussion about your DISC assessment
3. Teach this to your company

Dave@positivepolarity.com

414 322 2358

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Thank you for attending!

Thank You!

If you want to get ahold of me for:

1. A copy of the slides
2. A discussion about your DISC assessment
3. Do a deeper dive into this
4. Teach this to your company

Dave@positivepolarity.com

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3:30 – 4:30 p.m.

AI Use & Ethics for Accountants

Ken Rheingans, *Partner - Technology Innovation, 7Rivers Inc*



GenAI and AI Ethics Implications for Finance Professionals

// October 22, 2024



Ken Rheingans
Partner - Innovation



We Make It Real

About 7Rivers



7Rivers is a new-age technology services company that helps customers advance their data management practices by adopting modern cloud data warehouse technology, leveraging the emergence of mainstream AI, and creating insights-informed **Data Native™** applications and intelligent experiences.

We partner with **Snowflake** and **AI** service providers to augment the modern enterprise.

What is Generative AI? A New Era of Intelligence



Generative AI Defined

- Generative AI creates new content (e.g., text, images, or data insights) by learning from vast datasets, enabling it to generate original outputs.

How It Works - Deep Learning Models

- Based on deep learning, a type of AI that uses neural networks structured like the human brain to analyze complex patterns in data.
- These models process vast amounts of information and "learn" from the data, enabling them to generate new, contextually accurate outputs.

Generative AI vs. Traditional Machine Learning

- Traditional ML: Learns patterns to make predictions or classifications (e.g., predicting trends).
- Generative AI: Creates new content (e.g., automated financial reports, personalized communications) based on learned data patterns.

Beyond Chatbots: Advanced Applications

- Content creation (articles, reports, marketing materials)
- Video, photo, audio, and data analysis and insights generation
- Planning
- Designing
- Collaboration
- Full custom, license-free, software application creation at the company and department level

The Exponential Growth of AI: A 10x/Year in Capabilities

What is Exponential Growth?

Implications for the Finance Industry

- GenAI use cases and abilities are expanding faster than adoption or education
- Need for Rapid adoption and integration of AI technologies
- Potential for significant disruption in traditional financial services
- Need for continuous upskilling and adaptation

The Exponential Growth of AI: examples

7Rivers

Recent News Headlines

// Proprietary & Confidential

7

GenAI in the Accounting World - Examples

7Rivers

Automated Bookkeeping and Reconciliation

AI systems process and categorize transactions in real-time

Intelligent Audit Assistance

AI analyzing large datasets to identify anomalies and potential fraud

Tax Compliance and Planning

AI-driven systems interpreting complex tax codes and optimizing strategies

Financial Forecasting and Scenario Analysis

GenAI creating financial models and running multiple scenarios

Natural Language Processing for Financial Documents

AI extracting key information from unstructured financial data

Enhanced fraud detection and risk assessment

AI analysis of communications to detect fraud and risks

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8

GenAI for CPAs: A Practical Overview

Benefits

- Increased efficiency and productivity
- Enhanced accuracy and consistency
- Tailored to your company and department
- More time for high-value strategic tasks

Challenges

- Need for upskilling and adaptation
- Ensuring data privacy and security
- Maintaining human judgment and oversight

Impact on CPA Roles

- Shift towards higher-value advisory services
- Increased focus on data interpretation and strategic decision-making
- Need for AI literacy and ethical AI management skills

AI Ethics

Examples of AI Ethical Failures

News Headlines & Examples

Ethical Challenges of GenAI: Bias

Types of Bias

- Statistical: Errors in the data or model
- Social: Reflecting societal prejudices
- Cognitive: Human biases in AI development
- Gender: Bias in AI-Powered Hiring Tools - AI systems favoring male candidates for finance positions based on historical data

Cultural Bias in Global Finance

- AI models trained on predominantly Western data may misinterpret practices in emerging markets
- Example: Misclassification of legitimate transactions as suspicious due to unfamiliarity with local financial practices

Ethical Challenges of GenAI: Transparency

The "Black Box" Problem

- Complex AI models lack clear decision-making processes
- Importance in finance: Need for explainable decisions and audit trails

Strategies for Transparency

- Implement Explainable AI (XAI) techniques
- Provide clear documentation of AI decision-making processes
- Regular audits and third-party verifications of AI systems

Examples in the News

Ethical Challenges of GenAI: Trust

Building Trust in AI-Powered Financial Systems

- Essential for adoption and regulatory compliance

Challenges

- Data privacy concerns
- Potential for AI-generated misinformation in financial reports
- Overreliance on AI recommendations

Trust-Building Measures

- Regular system audits and certifications
- Clear communication of AI's role and limitations
- Human-in-the-loop processes for critical decisions
- Robust data governance and privacy protection measures

Ethical Challenges of GenAI: Mitigation Strategies

Regular Bias Audits and Testing

- Implement automated tools to detect bias in outputs
- Conduct periodic manual reviews by diverse teams

Fairness Constraints in AI applications

- Incorporate fairness constraints into GenAI applications
- Use techniques like adversarial debiasing or fair representation learning

Cultural Sensitivity Checks

- Develop global teams to review AI outputs for cultural appropriateness
- Implement multilingual and multicultural testing scenarios

Continuous Education and Training

- Regular ethics training for AI application developers and users
- Stay updated on evolving ethical AI guidelines and best practices

Ethical AI Frameworks

- Develop and implement company-wide ethical AI principles
- Create clear processes for ethical decision-making in AI development and deployment

Accountability and Responsibility in the Age of AI

Misuse - voice, exams, images, avatars, etc. - marcos license?

Human Oversight is Crucial:

- Example: Lawyer sentenced for not verifying AI-generated legal citations (2023 case)

Key Principles for CPAs:

- Always verify AI-generated financial data and reports
- Maintain professional skepticism when using AI tools
- Understand the limitations and potential errors of AI systems

Establishing Clear Chains of Responsibility:

- Define roles for AI system management
- Create protocols for reviewing and approving AI outputs
- Implement error reporting and correction mechanisms

Examples in the news

Demos – Introducing Marcos from 7Rivers

- Marcos is a GenAI accelerator
- Designed to help businesses quickly adopt AI and test out GenAI Proof of Concepts
- Integrates multiple Large Language Models (LLMs) to select the best model for specific tasks
- It uses advanced techniques like "chain of thought" reasoning and multiple AI agents to tackle complex problems.
- With Snowflake integration, it offers real-time insights, enhanced security, and scalability.
- Deployable across major cloud platforms
- Supports multimodal interactions like voice and document processing

Marcos accelerates the transition from Premise to Prototype to Production

GenAI Demos

Next Steps for Your Organization

Find a GenAI Application to start learning and testing

Leverage 7Rivers' Marcos GenAI Accelerator to get a POC up and running quickly

Establish an AI Ethics Committee

Include diverse perspectives: technical, legal, ethical, and domain experts

Define Core Ethical Principles

Examples: Fairness, transparency, accountability, privacy, and human-centricity

Develop Specific Guidelines for AI Use in Finance

- Bias detection and mitigation procedures, transparency requirements

Implement Ongoing Monitoring and Auditing Processes

- Regular ethics assessments of AI systems

Foster a Culture of Ethical AI Use

- Continuous education on AI ethics and evolving regulations for staff
- Stay informed about evolving regulations and best practices
- Encourage open discussion

Q&A

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<https://www.linkedin.com/in/kenrheingans/>

